

Sikh Gunmen Kill Leader Who Sought End to Punjab Crisis

By Sanjoy Hazarika
New York Times Service
NEW DELHI — Sikh gunmen in the Punjab assassinated Tuesday the moderate Sikh leader who recently signed a controversial peace accord with Prime Minister Rajiv Gandhi. The shooting was a major setback to efforts to normalize the troubled state.

The assassination of Harchand Singh Longowal, president of the Akali Dal party, clouds the future both of the agreement, signed last month, and of state elections scheduled for Sept. 22.

It also upset Mr. Gandhi's hopes for a swift political solution in Punjab, just after he had won acclaim for his handling of the crisis in Punjab and Assam. The Press Trust of India News Agency, quoting an authoritative Indian source, said the government was considering postponing the elections as a result of the assassination.

A witness said that two young Sikhs fired pistols at Mr. Longowal after he completed a speech and bowed to greet the congregation at a Sikh temple in the village of Sherpur, near the town of Sangrur. The witness, a reporter for the Press Trust of India, said that Mr. Longowal collapsed after being wounded critically in his chest and that an aide was killed and three others wounded in the shooting.

Both assailants were captured and one was reported wounded when guards fired back at them. Earlier in the day, gunmen in the Punjab shot and killed a Hindu politician of Mr. Gandhi's Congress (I) Party and wounded two persons.

A police official said four gunmen fired at D.D. Khullar, a Congress leader, in a house in Jullundur city, killing him on the spot. They escaped by car.

The official said another Congress leader, Gurdeep Singh, and a visitor at Mr. Singh's house were seriously wounded. Mr. Khullar

headed the Congress unit in Jullundur District.

The Indian government placed troops on alert to prevent possible counterterrorism in Punjab and neighboring states, especially by Longowal supporters on militant Sikhs who oppose them.

Mr. Gandhi called for calm and convened an emergency cabinet meeting that mourned Mr. Longowal's death.

The incident drew nationwide condemnation and angry reactions from opposition politicians who blamed the killing on the central government, saying it should not have scheduled elections in Punjab next month. The announcement of the elections was made last week and has given extremists a fresh chance to disrupt the state, the leaders said.

No group has yet taken responsibility for the Longowal slaying, although the two captured assailants were identified as Malvinder Singh and Gian Singh from Ludhiana district. It was not immediately known if they were wanted members of any of the groups that have opposed the accord. The settlement ended three years of confrontation between Sikhs and the Indian government.

Officials in Punjab said last month that they had increased security for Mr. Longowal after it was reported that he had become a terrorist target because of the agreement, which is said to be winning support in the Punjab. The security included at least four bodyguards armed with semi-automatic carbines, revolvers and rifles.

The government's failure to protect Mr. Longowal is already being strongly criticized.

Mr. Longowal was a native of the district and took his surname from the village of the same name. He was respected in the region and in many parts of the Punjab as a pious man who began as a religious leader.



South African troops stopped vehicles entering Soweto on Tuesday as they conducted house-to-house searches and manned roadblocks in the large black township. Page 2.

Car Bomb Kills 40 in North Lebanon; Beirut Area Caught in Artillery Duels

BEIRUT — A car bomb killed 40 persons in the northern Lebanese city of Tripoli on Tuesday as Muslim and Christian forces fought fierce artillery duels that engulfed Beirut and mountain villages north and east of the capital.

Security sources said that unidentified planes had attacked gun positions near Tarshish, on Syrian-controlled slopes of the central Mount Lebanon range, but police in the nearby town of Dhaur Shweir later denied the report.

The car bomb, the fifth in less than a week, exploded among crowds in Tripoli that had gathered after a man threw a stick of dynamite from a car minutes earlier, security sources said.

Security sources said that the 440-pound (200-kilogram) bomb killed 40 and wounded 100 persons. It demolished a four-story building

housing a police station and started a major fire.

Sheikh Kanaan Naji, the Tripoli chief of the Sunni Muslim fundamentalist Jihadullah, or Soldiers of God, militia, was critically injured in the blast, the sources said.

Two car bombs killed 28 persons in Moslem West Beirut on Monday, apparently in reprisal for earlier ones in Christian areas. Monday's explosions started shelling duels that raged across the city for 16 hours before easing in early afternoon. Fifty-five persons were killed in a car bomb explosion outside a supermarket near Christian East Beirut on Saturday.

As fighting raged around Beirut, jets were reported to have hit gun positions in a predawn attack at Tarshish on the eastern slopes of the Mount Lebanon range, about 18 miles (about 28 kilometers) from the city, security sources said.

Syrian troops and a variety of pro-Syrian and leftist militias have gun positions on the hillsides.

The Voice of Lebanon radio identified the attacking planes as Israeli, but this was denied by an Israeli military spokesman in Tel Aviv. The Lebanese police denial of the incident came later.

There was no comment from the Lebanese Air Force, which has a few Hawker Hunter fighter-bombers based in Christian territory north of Beirut.

The Voice of Lebanon said that the shelling duel continued after a cease-fire had been due to take effect at midday. The rival forces had ignored numerous earlier efforts by an all-party security committee to halt the fighting.

"We can do nothing unless there is a political agreement," a committee source said.

Security sources said that at least 24 persons were killed in the shelling and 100 were wounded.

Overnight, the artillery duels lit up the sky above the city as sleepless residents huddled in basements and stairwells.

After dawn, shells continued to rain down on Moslem and Christian sectors, including targets up to 18 miles from the city, radio reports said. All roads linking East and West Beirut were closed as fighting also raged along the Green Line dividing the city.

About 30 rockets hit Beirut International Airport, airport sources said. Flights continued to operate. Witnesses reported heavy damage near the West Beirut home of

Mr. Atraghji's wife, Ilana, and an embassy secretary, Mazal Menashe, both 24, who were accompanying the diplomat, were said to be in a satisfactory condition, after surgery to treat bullet wounds to the legs, arms and face.

A hitherto unknown group calling itself "Egypt's Revolution" claimed responsibility for the killing. A typewritten statement delivered to the Reuters news agency in Cairo said: "Our valiant armed men today, in defense of our freedom and dignity, launched an attack against members of the Israeli intelligence in Cairo."

It said that the attack had sent "them to hell, and this will be repeated until the Israeli enemy leaves the country." The statement denounced the U.S.-sponsored peace treaty with Israel and said that the group earlier had asked President Hosni Mubarak to cancel the 1979 accord.

"Regrettably, President Mubarak did not listen to the wishes of the people and submitted to the Israeli enemy and his American masters," the statement said, "and we found the Israeli flag desecrating our land."

An Egyptian Foreign Ministry spokesman said: "We strongly condemn this criminal act. The Egyptian authorities will take every legal measure to apprehend the perpetrators and bring them to justice."

According to the Israeli Embassy spokesman, Isaac Bar-Moshe, the murdered diplomat arrived in Cairo three to four months ago, and "didn't really know any Egyptians yet." He added: "We have no idea of who they are and why they did it."

Israeli Reaction
William Claiborne of The Washington Post reported from Jerusalem.

Israeli officials said they did not believe the attack in Cairo would affect attempts by both Israel and Egypt to normalize relations, strained by Israel's 1982 invasion of Lebanon and by a dispute over land in Sinai.

Although an official statement issued by Prime Minister Shimon Peres expressed "deep shock at the criminal terrorist attack," Foreign Ministry officials said they expected that the Egyptian government's reaction to the incident would offset any tension surrounding the incident.

The Foreign Ministry said: "We are in close contact with the Egyptian authorities, including the Egyptian minister of foreign affairs, from whom we heard they are acting to the best of their ability in everything connected to this dastardly attack."

The Egyptian chargé d'affaires in Tel Aviv, Mohammed Bassioni, told Israel Radio that he believed the gunmen came from outside Egypt. He said it was unlikely that the Egyptian opposition was involved, because, he said, it had accepted the peace treaty with Israel.

The attack came at a time when the Peres government is seeking to improve relations with Egypt. Aides have said that Mr. Peres believes that that once Israeli-Egyptian ties are normalized, Mr. Mubarak can actively involve himself in the peace initiative he began last February when he urged the creation of a joint Jordanian-Palestinian delegation that would negotiate directly with Israel.

U.S. Will Test a Weapon Against Satellite in Space, Reagan Informs Congress

By David Hoffman
Washington Post Service
SANTA BARBARA, California — The United States plans to conduct its first test soon of an anti-satellite weapon against an object in space, President Ronald Reagan informed Congress on Tuesday.

The test, to be aimed at an obsolete U.S. satellite in Earth orbit, will take place within 15 days, said Larry Speakes, the chief White House spokesman. The precise date remains secret.

Mr. Speakes said that the Soviet Union and U.S. allies had been notified of the announcement through diplomatic channels.

He said the decision to proceed with the test was made after taking into account possible Soviet reaction. There was no reason why the test should affect the November summit between Mr. Reagan and the Soviet leader, Mikhail S. Gorbachev, Mr. Speakes said.

However, official sources in Washington said that they expected Tuesday's announcement to reduce the chances for progress at arms negotiations in Geneva.

The Soviet Union previously offered a moratorium on testing of anti-satellite weapons and recently has refrained from testing them. But the United States has rejected a moratorium, saying it would preserve a Soviet monopoly on anti-satellite weapons.

The U.S. weapon to be tested includes a two-stage main rocket that is to be carried high into the atmosphere by an F-15 fighter, then launched into space. The warhead, equipped with tiny rocket motors, would be released and home in on the low-orbit satellite, destroying it by impact without explosives.

The U.S. Air Force has conducted two firings of the missile so far, but neither involved an object in space. Congress, in the 1985 defense budget, said that the Reagan administration could undertake three tests in space this year if the president provided the necessary certification at least 15 days beforehand.

A statement issued by Mr. Speakes said that Mr. Reagan had certified to Congress that: "The United States is endeavoring 'in good faith to negotiate with the Soviets a mutual and verifiable agreement with the strictest possible limitations' on anti-satellite weapons 'consistent with the national security interests of the United States.'"

Pending agreement on such strict limitations, the testing is necessary "to avert clear and irreversible harm to the national security."

The testing is in accordance with the Anti-Ballistic Missile Treaty of 1972.

Such testing "would not constitute an irreversible step that would gravely impair prospects for negotiation on antisatellite weapons." It "constitutes an incentive for the Soviet Union to reach an agreement on these and other issues" in Geneva, he said.

The announcement came at a time when the United States and Soviet Union apparently have reached an impasse in the Geneva arms control negotiations that would include possible limits on anti-satellite weapons.

Some officials in Washington (Continued on Page 2, Col. 6)

McFarlane Considers Arms Control Unlikely

By David Hoffman
Washington Post Service

SANTA BARBARA, California — President Ronald Reagan's national security adviser, Robert C. McFarlane, has offered a deeply pessimistic view of the prospects for a U.S.-Soviet agreement to slow the arms race.

Mr. McFarlane offered his assessment in a speech Monday at the White House announced that Mr. Reagan's meeting with Foreign Minister Eduard A. Shevardnadze of the Soviet Union has been set for Sept. 27. The meeting is expected to prepare for Mr. Reagan's November meeting with Mikhail S. Gorbachev, the Soviet leader.

In a speech to the Santa Barbara Channel Club, Mr. McFarlane described several examples of what he described as Soviet decisions in recent years to accelerate superpower competition in chemical weapons, ballistic missile defenses and intermediate-range missiles.

In each case, Mr. McFarlane said, the Soviet Union tried to "resume or initiate competition in an area where there hadn't been any at all."

Mr. McFarlane pointed to the U.S.-Soviet charges and countercharges over ballistic missile defense, including Soviet complaints about Mr. Reagan's proposed space-based nuclear shield.

The Soviet Union, he said, has proposed "something we believe is nonnegotiable and nonverifiable; a ban on research even as they pursue the largest research program on Earth." Mr. McFarlane described it as a "masterpiece of chutzpah" the Soviet claim that the U.S. program is designed to acquire a first-strike capability.

"In short, we're having a lot of trouble establishing a real dialogue," Mr. McFarlane said.

Mr. Reagan is willing to meet the Soviet Union "halfway in developing responsible solutions to outstanding problems," he added.

"But without some change in the Soviet approach to security issues, we are not going to have a dialogue," he said.

Mr. McFarlane said the conference's chemical weapons committee had found broad areas of consensus, as opposed to previous years. He declined to be more specific and cautioned that some positions remained "very far apart."

Soviet Cites Progress
The chief Soviet delegate to the 40-nation Conference on Disarmament in Geneva cited progress Tuesday toward negotiating a chemical weapons ban but said obstacles remained. The Associated Press reported from Geneva.

"For the first time in five or six years of negotiation on chemical weapons, now everyone can very easily see results," Viktor Isayevyan said at a news conference. A multinational ban on production and stockpiling of chemical weapons has been under discussion at the Geneva talks for 16 years.

A member of the U.S. delegation also noted some "modest progress" but said it was "not as rapid or extensive as we had hoped."

Mr. Isayevyan said the conference's chemical weapons committee had found broad areas of consensus, as opposed to previous years. He declined to be more specific and cautioned that some positions remained "very far apart."

Representatives of the Union Carbide Corp. refused to go into detail on the leak Aug. 11 at the plant in Institute. A spokesman said Sunday it would be "speculative" to discuss matters being covered by the company's own investigation, which, he said, would be finished within a week.

But chemical engineers, consultants and other experts who are familiar with the circumstances of that leak, including present and former employees of the company, said that it appeared to be related to safety problems common in the industry. Their assessments were based on new details on how the leak occurred, derived from information provided by the company, federal officials and industry experts.

Representatives of leading chemical companies and engineering societies who have studied the situation are recommending changes in emergency systems for the processing of hazardous chemicals. The recommendations, which took 10 years to develop, will be incorporated in a new manual of (Continued on Page 2, Col. 3)

Revised Figures Show U.S. Economy Growing at Weak 2% Annual Rate

The Associated Press

WASHINGTON — The U.S. economy, battered by a rising trade deficit, grew at a weak 2-percent annual rate in the spring, the government reported Tuesday.

The rise in gross national product was revised slightly upward from last month's estimate of 1.7 percent growth for the period from April through June. Even with the revision, however, the latest GNP report continued to show an economy performing far below original expectations.

At the start of the year, the Reagan administration and most private economists expected growth of 4 percent in 1985. But the economy grew by 0.3 percent from January through March. That slow pace, combined with the sluggish 2-percent rate in the April-June quarter, means annual growth so far this year of just 1.1 percent.

The economy would have to rebound to a 4.9-percent growth rate in the final six months of the year to reach the administration's lowered 3-percent target for the full year.

Commerce Undersecretary Sidney L. Jones said the latest report on GNP, a measure of the total value of goods and services including income from foreign investments, showed the economy continuing in the same growth path that has held for the last year.

Strong domestic demand is being met largely by imports, he said. Mr. Jones conceded that the administration's forecast for a strong second-half rebound, while possible, was "not the most likely occurrence." "A more likely outcome is that you will see moderate growth in the 3-percent zone for the second half. That would give us about 2 percent to 2.5 percent growth for the year," he said.

Private economists, viewing the weak reports so far on July activity, also say they see no hint of a rebound. Many expect sluggish growth of around 2.5 percent in the second half of the year.

The reason for the sharp slowdown in activity this year has been the soaring trade deficit, which is forecast to reach a record \$150 billion. The dollar's strength earlier this year, which made imports cheaper and U.S. goods more expensive and thus harder to sell overseas markets, is blamed for the bleak trade picture.

But the strong dollar has helped to hold down inflation. Tuesday's report showed that the implicit price deflator, an inflation gauge tied to GNP, rose at an annual rate of just 2.7 percent in the second quarter, the smallest gain in two years.

The Commerce Department also reported Tuesday that after-tax corporate profits dropped 0.4 percent in the April-June quarter, following a 2.8-percent decline from January through March. After-tax profits have declined for five straight quarters.

The GNP report showed an upward revision from last month's estimate primarily because of stronger growth in inventory to the stockpiling. Also contributing to the upward revision were government purchases, net exports and personal spending. Final sales were up 4.7 percent at an annual rate in the second quarter, after falling 0.3 percent in the first three months.

"The U.S. economy remains in a very sluggish growth path with no significant rebound in process," said Allen Sinai, chief economist for Shearson Lehman Brothers.

"There is no indication that consumers will cut back enough to drive the economy into an outright recession, but the pace is slow enough to suggest that the growth recession will continue."

In a growth recession, overall output continues rising but at such a slow pace that the unemployment rate rises also.

Britain Faces Rail Worker Strikes In New Test for Thatcher Government

By Bob Hagerty
International Herald Tribune

LONDON — Six months after defeating a coal miners' strike, the British government is confronted by a growing industrial dispute at state-owned British Rail.

The dispute, which has been building up over the past five weeks, seems unlikely to be as serious as the 12-month coal strike. But the conflict already is disrupting some commuter and freight services, and it presents the Conservative government with another test of will at a time when its ratings in the opinion polls are low.

On Tuesday, nearly four hours of talks between British Rail and the National Union of Railwaymen broke up without any sign of agreement on a British Rail plan to reduce manpower.

The railroad wants some freight and passenger trains to be operated by one man instead of two, dispensing with the position of guard. The change would eliminate 1,750 jobs over the next five years, though British Rail maintains no compulsory layoffs would be needed.

British Rail has dismissed about 230 guards in South Wales and in Glasgow who refused to cooperate with a transition to one-man trains.

That has set off unofficial strikes in South Wales, Scotland and the London area.

The union's 11,500 guards are scheduled to vote Friday on whether to hold an official strike. The vote was scheduled for Aug. 29, but the union brought it forward after the failure of Tuesday's talks.

James Knapp, the union's general secretary, said there was no progress in Tuesday's talks.

"It appeared that some of my members had been taken prisoner, kidnapped or taken as hostages, and I was being handed a ransom note," he said. "Quite honestly, I'm not prepared to negotiate under conditions like that."

John Paley, British Rail's personnel director, retorted: "I think the people who are at ransom are the passengers. They have no guarantee of a service."

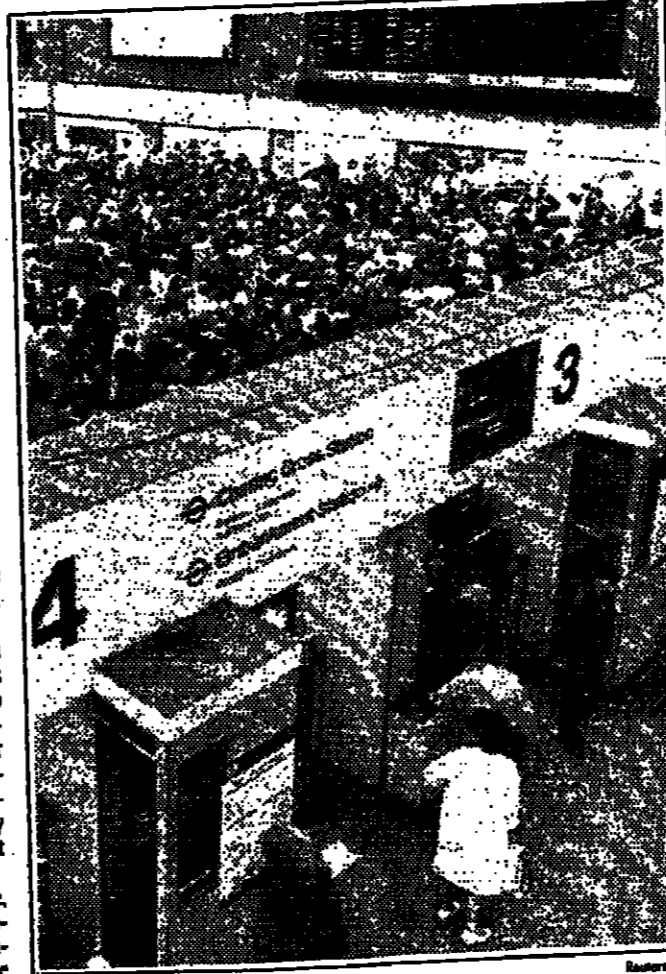
So far the dispute has had little effect on the major long-distance routes used by tourists. But passenger service has been disrupted in the Glasgow region, and on some suburban routes around London, especially those to Hertfordshire. The dispute also has disrupted freight train traffic in South Wales.

Mr. Knapp, a Scot known for pragmatism as well as tough talk, has tried to win public support and full backing from his members before heading into a showdown. A letter to passengers handed out by union members asserts that "removal of the guards will be a charter for rapists and robbers." Mr. Knapp recently asked: "Who helps the passengers when so-called football supporters run amok?"

Squeezed by tougher competition from buses and trucks, the railroad management is determined to cut costs. British Rail reported a loss of £408 million (\$571 million) in the 15 months ended last March. The losses reflected the effects of the miners' strike on freight business.

Several economists at British stockbrokerages said the dispute is unlikely to cause severe hardship because British Rail's role as a carrier of freight has dwindled over the past several decades. The government estimates that only 3 percent of freight in Britain moved by rail last year, down from 9 percent in 1983.

"It's certainly an inconvenience, and it's going to cause some disruption," said Gavin Davies, an economist at Simon & Coates, but, he predicted, the labor dispute is unlikely to cause grave harm to the economy.



Crowds at a London railroad station waiting for trains during an unofficial strike by workers against British Rail.

AMERICAN TOPICS

The lime-green mansion of Sheikh Mohammed al-Fassi, gutted by fire five years ago and in disrepair since, fell to bulldozers Monday as residents of Beverly Hills cheered.

Beverly Hills Cries Not Over Eyesore's Demise

As bulldozers roared into action, hundreds of Beverly Hills, California, residents raised plastic cups of wine this week in a toast to another razing: The demolition of the once-elegant mansion made infamous in 1978 when, purchased by the family of Sheikh Mohammed al-Fassi, it became known as the lime-green eyesore.

Built in 1917 on some of Southern California's most expensive real estate, the Italian Renaissance mansion had long symbolized Beverly Hills chic. But something of a scandal developed when the billionaire Saudi sheikh's father, Mohammed Shamsuddin al-Fassi, paid \$2.4 million for the estate and the mansion was painted lime green, plastic flowers were planted in the garden and bright gongs were used to highlight gongs on the garden's white plaster made statues.

Earlier this year, Caesar Lopez Jr., a developer, acquired the building and 3.5-acre (1.4-hectare) grounds for an undisclosed sum. He gained approval from the Beverly Hills City Council to build two new estates — each for about \$10 million — and was on hand Monday as the residents of

Beverly Hills prepared to bid farewell to the city's "Grand Old Dame."

"Gentlemen, start your engines," Mr. Lopez called to the bulldozer operators, and 68 years of opulence came crashing down.

Short Takes

The Environmental Protection Agency has put an end to LUST — at least on paper. Agency bureaucrats had used the whimsical acronym in reference to "leaking underground storage tanks" and its program to protect ground water from their contamination. But Winston Forter, the new assistant administrator of EPA for solid waste, instructed his staff last week not to use the acronym, opting instead for UST, because the EPA was monitoring all underground storage tanks, leaking or not. "Now," he said, "we'll LUST only in our hearts."

In a newsletter to his constituents, Representative Thomas E. Petri, a Republican of Wisconsin, complained about the formidable task of containing congressional spending. "There's \$1.4 million for garage attendants," he said. "No, they don't park cars. No, they don't guard the garage doors — we have a Capitol police force equal to that of the city of Indianapolis to do

that. The attendants... well... attend."

Colonel Sanders Joins NASA's Space Team

Two dozen chicken eggs and bakers' yeast will be taken into space on two shuttle flights scheduled for 1986. The Washington Post reports. Both unlikely cargo items will be used in experiments planned by two students — John Vellingier, 20, a sophomore at Purdue University in Lafayette, Indiana, and Greg Delory, 16, a senior at Lowell High School in San Francisco — who won competitions sponsored by the National Aeronautics and Space Administration and the Marshall Space Flight Center in Huntsville, Alabama.

The eggs will be flown into orbit to determine whether chicken embryos can survive weightlessness, while the yeast will help measure the effects of weightlessness on cell division. Kentucky Fried Chicken is sponsoring Mr. Vellingier's experiment to determine the feasibility of raising chickens for food in space. Mr. Delory, whose experiment is sponsored by the Lawrence Berkeley Laboratory at the University of California, Berkeley, hopes to test the production of spores in mold.

—Compiled by AMY HOLLOWELL

U.S. Agencies Battle Unwanted Intruders

Imported Pests, From 'Killer' Bees To Catfish, Pose a Growing Threat

By Peter Kerr
New York Times Service

NEW YORK — In 1869, a naturalist named Leopold Trouvelot brought some caterpillar eggs from France to Massachusetts, hoping to introduce a new type of silkworm. A few caterpillars escaped and Trouvelot introduced to North America the gypsy moth, which has tormented foresters and gardeners ever since.

While the U.S. Department of Agriculture has moved swiftly to contain yet another new arrival, Africanized "killer" bees in California, the bees are only one example of the hundreds of pests that have arrived under seemingly innocent circumstances.

The dangers posed by such intruders are more serious than ever, according to the Agriculture Department's Animal and Plant Health Inspection Service. Growing numbers are arriving by plane, in containerized cargo vessels and in the belongings of illegal aliens.

"The threat is always expanding," said Harvey L. Ford, an inspection service deputy administrator. "With the speed of transportation today it is impossible to watch everything coming in." The service, with 1,000 inspectors and a budget that has doubled in 10 years to \$532 million, attempts to intercept everything from ham sandwiches to parrots.

Containerization has made it impossible to inspect all goods arriving on ships, officials say, and the growth of international air traffic has created its own problems. For example, a single infested orange carried by one of millions of airline passengers could have been responsible for the Mediterranean fruit fly infestation that spread across California in recent years and cost \$100 million to control.

Bert W. Hawkins, the inspection service director, says the government is using X-ray machines and dogs to sniff out food products at airports. Inspectors are given profiles of the types of person believed likely to be carrying potentially dangerous creatures.

Just how hard it is to keep unwanted creatures out was demonstrated in recent weeks by the two sightings of Africanized bees, an aggressive hybrid descended from bees that were brought from Africa to Brazil in 1957 in an effort to improve honey production. When some of them escaped and bred with European-origin honey bees, the Africans' traits predominated.

In an arid field near Lost Hills, California, officials discovered a colony of the hybrid, which is now native to South and Central America. The Agriculture Department believes the bees came north aboard a ship carrying oil-drilling equipment.

Africanized bees are known as "killers" not because of their sting, which is similar to that of a native honey bee, but because they are easily aroused, attacking humans and animals. Last week, in an effort to isolate them in Kern County, California, the Agriculture Department

announced a quarantine, restricting interstate transport of all honey bees.

In Oswego, New York, meanwhile, entomologists from Cornell University were killing every honey bee they could find. A cargo vessel from Brazil carrying Africanized bees had docked at that Lake Ontario port in June 1984. The scientists feared that some of them may have flown off and joined nearby colonies of native bees.

While the scientists doubt that Africanized bees could have survived the winter cold in upstate New York, they feared the bees carried the deadly varroa mite, which is unknown in North America. The mite is harmless to humans but could wipe out bee colonies across the country if it established a beachhead.

While the Africanized bees in California will probably be assimilated by native bees and lose their dangerous attributes, things have not always ended so satisfactorily. In 1971, a shipment of pet birds carried Newcastle disease, a virus that killed 12 million birds before it was contained at a cost of \$65 million. Inspectors still keep a close eye on parrots and cockatoos arriving from countries to the south where the disease is prevalent.

Somewhat less threatening was the "walking catfish," imported to Florida as a two-inch (5-centimeter) aquarium curiosity in the 1960s. But the Asian fish found its way into the canals and, by dragging itself overland between lakes, ponds, and canals on spiky pectoral fins, has meandered its way up the Florida peninsula. It eats other fish, including prized sports fish, much to the distress of sportsmen.

Florida was also the landing point of the giant snail. In 1966, a 10-year-old tourist pocketed a few small snails in Hawaii and threw them out when he got home. In a few weeks, the Agriculture Department was summoned to a Miami neighborhood to dispose of thousands of the grown foot-long (30-centimeter) creatures slithering through grass and eating plants.

—Compiled by AMY HOLLOWELL

Yugoslavia Jails 71 for Theft

Agency France-Press

BEIGRADE — Seventy-one persons were jailed Monday in Yugoslavia's province of Kosovo after being found guilty of stealing 13,784 kilos (30,361 pounds) of silver from a mine, the Tanjug news agency reported.



Meir Kahane

Rabbi Resigns Leadership of Jewish Group

New York Times Service

NEW YORK — Rabbi Meir Kahane, the founder of the militant Jewish Defense League, has resigned the leadership of the organization, in part because he could not devote enough time to it.

He named Irv Rubin as his successor. Mr. Rubin lives in Los Angeles and has been the West Coast coordinator of the organization. Mr. Kahane, who is a member of the Israeli parliament, the Knesset, said Monday in a radio interview that he felt his resignation would make it easier for him to return to the United States occasionally if he is required to give up his U.S. citizenship.

He said of his resignation: "No, it's not fair. I just don't have the time. And No. 2, there is a law being pressed in Israel that says no Knesset member can be a dual citizen."

Mr. Kahane, who was born in Brooklyn, New York, and founded the organization there in 1968 with the idea of forcefully opposing enemies of Jews, moved to Israel in 1971. He was elected to the Knesset in 1984 on a platform of expelling all Arabs from Israel.

"We are going to change the emphasis of the JDL to be more of an American-based organization," said Mr. Rubin, 40, a private investigator and printer.

Although Mr. Rubin does not plan to move to New York City, he said that "as far as the Jewish community is concerned, New York is still where it's at." He said there was no office in New York. "The problem is a lack of financial support and tremendous apathy," he said.

Laxalt's Departure Raises Democrats' Hopes for Senate

By Sara Fritz
Los Angeles Times Service

WASHINGTON — The announcement by Senator Paul Laxalt, a Republican of Nevada, that he will not seek re-election in 1986 has raised the Democrats' hopes of capturing control of the Senate.

Mr. Laxalt, a two-term senator, said Monday he was bowing out for family reasons, but would continue to serve as general chairman of the Republican Party through the end of his term in January 1987.

The Senate seat of Mr. Laxalt, 63, has been considered a solid Republican seat. The senator's close friendship with President Ronald Reagan has made him one of the most influential Republicans in Congress.

With 22 Republican seats up for election in 1986, Mr. Laxalt's decision was seen as a serious blow to the efforts of Republican leaders to maintain their 53-47 majority in the Senate.

The Democratic Party will invest its full resources in Nevada as a potential key state for victory in 1986, said Senator George J. Mitchell of Maine, chairman of the Democratic Senatorial Campaign Committee.

"Senator Laxalt's retirement announcement today must add to the Republicans' continuing fears of losing control of the Senate," Mr. Mitchell said. "If the general chairman of their party declines to seek re-election, the Republicans must know their slim majority is quickly slipping away."

Similarly, Paul G. Kirk, chairman of the Democratic National Committee, described it as a "major boost" to the Democrats' prospects for regaining control of the Senate.

Frank Fahrenkopf, chairman of the Republican National Committee, said that he and Richard Wirthlin, a Republican pollster, spent two days last week with Mr. Laxalt, trying to persuade him to seek re-election.

According to the party chairman, Mr. Wirthlin showed Mr. Laxalt polling data indicating that any other Republican would have trouble holding on to that Nevada Senate seat.

Friends insisted that Mr. Laxalt's decision had nothing to do with a \$250-million libel lawsuit filed by the senator against the McClatchy Newspapers chain. The chain published an article alleging ties between Mr. Laxalt and organized crime figures in connection with a casino he owned from 1972 to 1976.

LE ROY
By ROBERT L. MCCLATCHY

Lady's watch, ultra-thin, quartz, water-resistant. Not black treated steel and gold plated.

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MONTE-CARLO

New Government in Brazil Espouses Campaign on Official Corruption

By Alan Riding
New York Times Service

RIO DE JANEIRO — Long before it left office five months ago, Brazil's military regime had been found guilty of corruption by the jury of public opinion. Now the supporting evidence is beginning to surface.

Almost daily, Brazilian newspapers and officials of the new civilian government have been revealing details of kickbacks, padded payrolls, milked bank accounts and other illegalities that apparently flourished under past administrations.

This month, the new minister of industry and commerce, Roberto Gusmano, announced that three government agencies, dealing with coffee, sugar and tourism, would be dismantled because they were riddled "with a high degree of corruption."

President José Sarney also has pledged an "impitiable" battle against corruption and has clamped down on the high salaries, rent-free homes, executive jets and other government-financed privileges that senior officials now are found to have had in much of the 21 years of military rule.

The revelations appear to have the essentially political purpose of undermining the perils of authoritarianism rather than presaging legal action.

Many Brazilians remain skeptical, suspecting that, for fear of alienating the armed forces, the government will not clarify some of the most notorious scandals. They also seem convinced that no key figure of the former regime, military or civilian, will end up in prison. So far they have not been surprised.

The quandary of how to deal with past abuses of power is common to other Latin American countries that have recently returned to democracy. In Argentina, former military rulers are being tried for their role in the disappearances of thousands of purported leftists, and the Uruguayan Congress is similarly investigating past human rights abuses.

But in Brazil, where a 1979 amnesty benefits both former terrorists and security forces blamed for murder and torture, the main unresolved issue is corruption. And this, the new government argues, should be handled through the country's courts.

In the experience of many Brazilians, however, corruption in the country's legal system is itself a major obstacle to the application of the law. "Most judges are like auctioneers," one businessman said. "That's how cases are resolved. They sell off their verdicts to the highest bidder."

This month, four bankruptcy court judges were suspended by a special tribunal on charges of committing "irregularities." It was the first time in recent memory that judges had been penalized.

A still more publicized case involves a businessman and banker,

Mario Gamero, who has been charged with embezzling the huge private Brasinvest group that he headed. Five months ago, the new finance minister, Francisco Dornelles, declared that Mr. Gamero should be jailed, but this has not occurred and the case is proceeding slowly.

As a result, "trial by media" has become a popular method of dealing with the past.

Similarly, several other former ministers already have earned reputations for corruption through de-

nunciations published in the press. One has even been nicknamed "Mr. 10 Percent," referring to the commission he reportedly received on major government contracts. But none have been formally charged.

A clampdown on rackets within the social security system, however, did lead to the arrest of several hospital administrators. The new minister of social security, Waldyr Pires, recently said that the system's financial deficit had been sharply reduced by eliminating much of its internal corruption.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Not at White Convenience

In South Africa it is the black man who bears the burden — not just the burden of repression at the hands of the white government, but also the burden of proving his open-mindedness and unending patience where that government's obdurate resistance to lessening the repression is concerned. "No hard feelings, fellows," he is expected to say. "Take your time. Do it your way. No big deal."

Increasingly a number of people on the outside have taken to discussing current relations between whites and blacks in South Africa as if they were dealing with two equally intractable parties to a tiresome labor dispute or a fight over automobile accident insurance. It is forgotten that one of the parties to this dispute — the government — is committing a terrible, continuing crime against the other. The blacks are merely calling on it to stop perpetrating that crime now. The white government says it may consider leaving off doing some of the things it is doing in good time, but only if the victims behave a certain way first.

These victims must, for instance, now not resist the injustices inflicted upon them; they must forswear not only violence, but also nonviolent civil disobedience (of the kind that peacefully desegregated lunch counters and other institutions in the American South). Then they must come along to meetings at the behest of the government, respecting the government's timetable and represented by those whom the government sees fit to include as their spokesmen and bargainers. They are, in other words, to enter on these chancy negotiations stripped of as much dignity as the gov-

ernment can manage. It is all to be done at the white government's convenience.

Apparently there are those in the U.S. government who believe that Bishop Desmond Tutu, having been rebuffed in his quest for a one-on-one meeting with President P.W. Botha, was wrong to refuse the request that he simply turn up at a scheduled group of other clerics whom Mr. Botha was seeing three weeks later (to no avail, as it turned out). The word out of the White House and the State Department both, although strangled as increasingly these pronouncements are coming to be, carried a strong hint of reproach: Gosh, there were those white folks good enough at last to let him in the door and Desmond Tutu goes and gets picky about when and where and how he will talk. The nerve...

Within the U.S. government and elsewhere over the past few days a gigantic effort has been made to find benign meaning in the grating, uncharitable text of President Botha's address to his Durban constituents last week. Some of the consolation they have drawn from that speech required a search for ambiguities and allusions that probably are not there. But the point is that even if they are, the search has yielded up a pitiful. More precisely, it is insulting. Maybe, the government is said to be hinting, if you are extremely good girls and boys and do it our way, we will in time talk with you or those of you we feel like talking with about loosening a shackle or two.

Forgive us, we don't think Desmond Tutu is the one who needs the public reprimand.

—THE WASHINGTON POST.

Three Economic Hostages

The likely contenders for the Republican Party's presidential nomination in 1988 have all made themselves, in different ways, hostages to the course of the economy over the next three years. Each has identified himself — or put himself in a position where he is bound to be identified — with an economic program. Plausible cases can be made for each set of prescriptions and predictions today. But these cases are unlikely to seem equally plausible two and half years from now.

Senator Robert Dole thinks that America faces dire economic consequences if the deficit continues at the \$200-billion level. Underlying this stand is an assumption that, absent the deficit problem, things will go tolerably well. You may need to adjust farm programs and be more generous with food stamps (both causes championed by Mr. Dole) but you do not need major changes to get America moving at a decent pace again. These views will be tested by events. If taxes are not raised and spending is not cut much, and if deficits continue with dire consequences, Mr. Dole will be vindicated. It will also help if he can lead Congress in the direction he attempted this year, and things get better. But if deficits continue and the negative payoff does not come in time for him politically, his stock will fall.

Similarly, events will test the quite different economic theories of Representative Jack Kemp. He is brimming with confidence that the economy will grow exuberantly if only it is freed from the shackles of high taxation and tight money. Mr. Kemp wants something like

the present administration's fiscal policies, coupled with something like pre-Volcker monetary policies. Some of his policies — the Kemp-Roth tax cut, most of which President Reagan got through Congress in 1981 — have already been tested, and have so far conspicuously failed to produce the sharp rises in investment and the high levels of sustained growth that Mr. Kemp predicted. He does not have much more time for them to work out.

As for Vice President George Bush, he is in the odd position of being held accountable for the success of Mr. Reagan's policies although almost everyone supposes that he would have done things at least somewhat differently himself. He did, after all, coin the phrase "voodoo economics" in 1980. Politically, though, he will probably be seen, and seen accurately, as the closest thing to a Reagan replica in the 1988 race. If growth is high, inflation low and unemployment not rising, Mr. Bush's candidacy will be helped, as Richard Nixon's candidacy was by similar conditions through much of 1969. If the economy sputters, he will be hurt, as Mr. Nixon was in the fall of that year.

Of course, other things will affect the outcome: the strengths and gaffes of the candidates, their stands on other issues, the nature of the particular Republican electorate, the skills of their campaign operations. But to an unusual extent these three Republicans, who are currently leading in polls for 1988, have made themselves hostage to the economy and the turn it takes in the next two years.

—THE WASHINGTON POST.

Other Opinion

Trade Competition Accelerates

We should not assume that a fall in the dollar will remove the trade deficit or restore America's competitiveness in world markets. Having penetrated the U.S. market, developed marketing networks and gained product recognition, foreign producers will struggle — and accept smaller profit margins, if necessary — to preserve their market position when the currency advantage diminishes.

The strong dollar accelerates the flood of imports at present, and it may well camouflage another harsh reality — namely, that the import challenge would have come anyway.

Significant structural forces are at work, which over the long term are working to integrate and internationalize the world economy. The result is to intensify competition in previously sheltered national markets for standard consumer and capital goods. One such unifying factor has been the gradual decline of tariff barriers since World War II. Another has been the general reduction in shipping costs, resulting from supertankers, large bulk carriers, containers and wide-bodied aircraft.

In the competitive world economy of the 1990s, it may be more difficult than ever to boost U.S. exports, as South Korea, Taiwan and Brazil increasingly move up on the product ladder to be replaced by India, China and others in the production of standard consumer goods like shoes and textiles. I ask: Are Japan

or the European Community ready to open their markets and run substantial import surpluses so the United States can pay its debts?

—Alfred E. Eckes, of the U.S. International Trade Commission, in The Washington Post.

Paris, Greenpeace, Washington

There are certain international proposals, however modest, which can be seen from the outset to be ill-starred. France's proposal to conduct nuclear tests in Polynesia is taking such a look. The episode, still burning brightly, of the Rainbow Warrior, flagship of Greenpeace, sunk in a messy performance by the French counterintelligence service, is only part of it. A replacement is reported to be on its way to the Pacific with undisclosed intentions. President Mitterrand, brushing this aside, has declared that France will carry on.

If the French go ahead and even if they can circumvent Greenpeace, nuclear testing this time round is going sharply to concentrate certain political attitudes in Australia. One consequence could be to put another question mark over ANZUS. Were the determination of the French to carry out Pacific tests to result in anti-nuclear forces gaining ground in the Pacific, the Americans would have cause to worry. The crux over these tests lies not simply between President Mitterrand and Greenpeace, but between Paris and Washington.

—The Daily Telegraph (London).

FROM OUR AUG. 21 PAGES, 75 AND 50 YEARS AGO

1910: Egyptian Gets German Degree
BERLIN — An Arab sheikh, Hamed Walay, of the Aghar Mosque and the Dar-ul-Ulum (the House of Science) in Egypt, who acts as lecturer for the Arabic language in the Berlin Oriental Seminary, has just been given the degree of a doctor of medicine "summa cum laude." This is the first time that an Egyptian savant has been given a German university degree. Sheikh Hamed Walay is the first student of the Aghar Mosque (the great Mohammedan university attended by 20,000 students) to devote himself to the study of medicine. His thesis was "Three Chapters from the Medical Career of Ibn-Abi-Osaila," the famous Arabian medical man and writer of the 13th century.

1935: Jews' Harp Boom in Britain
LONDON — Skilled tongue-setters for Jews' Harps are at a premium in England, which is now exporting hundreds of thousands of Jews' Harps to the United States. Birmingham, which is the only city in the world where Jews' Harps are made, has been enjoying a boom in this product owing to the increasing popularity of Jews' harp bands in America. The tongue-setters, who are responsible for the adjustment of the metal strip which vibrates to produce the sound, have to be trained for several years, for if the strip is the merest fraction of an inch out of adjustment the tone is ruined. One Birmingham firm is producing 100,000 harps a week for export to the United States.

Against Chemical Weapons

By Karsten D. Voigt

The writer is the Social Democratic Party's foreign policy spokesman in the Bundestag and chairman of the party's group on chemical disarmament.

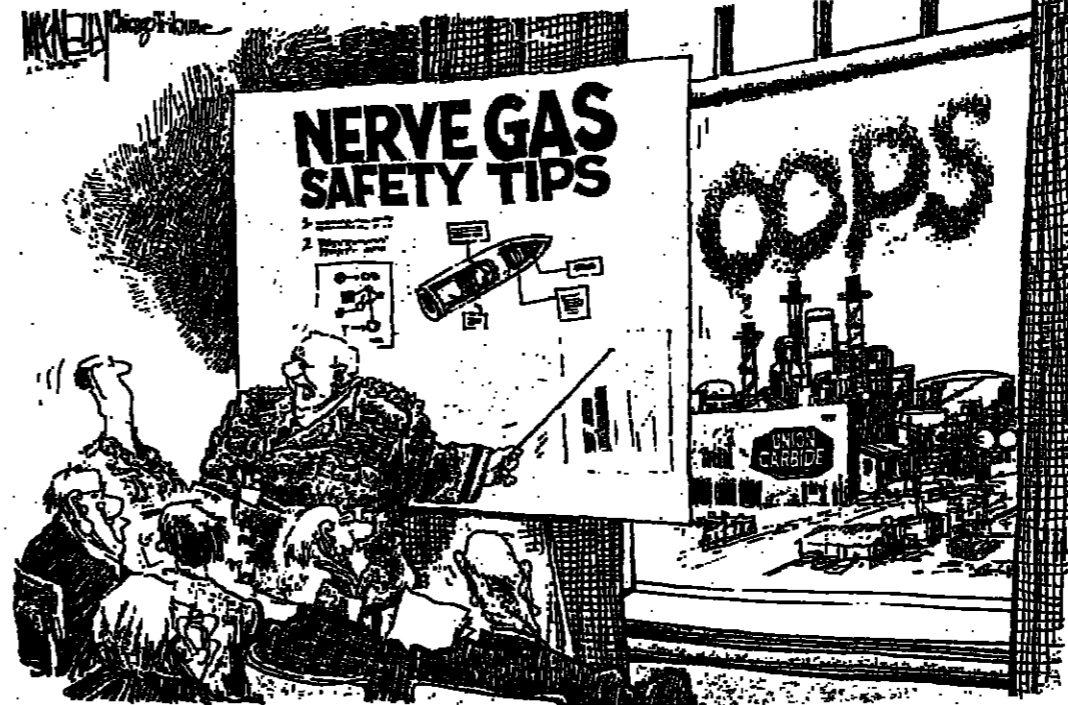
BONN — The U.S. Congress has renounced America's moratorium on production of chemical weapons. This could have grave and lasting effects on West Europeans' attitude toward the Atlantic alliance.

The authorization measure before the House does not require the allies' consent for production of chemical weapons. Yet what the Reagan administration euphemistically calls the "modernization" of chemical arms — a new generation of weapons — and the discussion of their deployment in West Germany may trigger a protracted dispute much like the one over the installation of intermediate-range nuclear missiles.

Central Europeans have only recently grasped what it would mean to have advanced chemical weapons on their territory, and reactions have not been favorable. Consider the skeleton agreement concluded in June between the Social Democratic Party in West Germany and the ruling Socialist Unity Party in East Germany. After a year of talks they produced a framework for a future treaty that would set up a chemical-weapon-free zone in Central Europe.

Central Europe's agreement may well not be realized until the Social Democrats return to power. But it may stimulate government action in the meantime. Even as an unrealized model treaty, it is an important first step toward European disarmament and German cooperation.

The chemical-weapon-free zone would include at least the countries on the border between the two blocs — East and West Germany and Czechoslovakia — and, perhaps later, Poland, Belgium, Luxembourg and



'And so you see, Senators, with good old American quality control, and ... GOOD GRIEF, Major! What was that?'

the Netherlands as well. Other nations could join as they wished.

The countries that did participate would not produce or acquire chemical weapons. After a certain grace period, they would also be required to ask other nations to remove all chemical weaponry deployed on their territory or in adjacent countries.

Neither West nor East Germany disposes of its own chemical weapons. The existing stores were produced in the United States and the Soviet Union and are controlled by them in accordance with the chemical plans of NATO and the Warsaw Pact. An effective treaty would therefore have to limit the capabilities of the United States and the Soviet Union to maneuver their chemical weaponry in Central Europe.

The key to effective restrictions would be effective verification. In formulating the skeleton agreement, we concluded that a mixture of national and international controls designed to allay mutual suspicions would have the best results. All par-

ties to the treaty would be responsible for coming up with measures for national verification, but international verification would be administered by a permanent international commission that would hear complaints and perform on-site inspection of stockpiles and production facilities.

We believe that such a regional approach — and the trust that it would build through cooperation and exchange of data — could help the United States and the Soviet Union break their deadlock in the multilateral negotiations about chemical weapons taking place in Geneva.

The ultimate purpose is and remains the worldwide abolition of all chemical weapons. In the interim, however, regional measures are easier to realize, since fewer countries are involved, the problems addressed are more specific and regional treaties can concentrate on withdrawal rather than abolition of the weapons.

The civilian population of Central Europe would be the first to witness the devastating effects of any chemi-

cal weapons used on the Continent. We do very much want to maintain the security we have achieved in the past 20 years, but chemical weapons do not add to that security. Nor do they add to deterrence.

It has been suggested that this joint effort by the West German Social Democrats and the ruling party of East Germany is meant to demonstrate to the superpowers that smaller countries in the center of a possible future armed conflict will take the initiative for disarmament talks into their own hands.

Other people interpret the agreement as an effort to test the limits of the room for maneuver that the superpowers leave their respective European allies. There could be some truth to both interpretations.

But there was another reason why representatives of the two Germanys came together to think about common action: the deep conviction that peace, and never again war, should emerge from German soil.

The New York Times.

American Conservatives Want Troops in Europe

Alvin Bernstein, chairman of the Strategy Department at the U.S. Naval War College.

Probably my number one fear is that we are going to do something like that. We shouldn't. NATO keeps our basic geopolitical stance viable, which is why the destruction of NATO is the prime strategic objective of the Soviet Union. Since Napoleon, the name of the strategic game has been to prevent the unification of Eurasia under a single hegemonic power.

Malcolm Wallop, senator from Wyoming.

Unless our forces, together with European forces, are given the weapons and manpower to defeat a Soviet conventional assault preceded by a missile attack, it just does not seem proper to expose American troops to certain catastrophe. We are presently exposing them to such a catastrophe and, in effect, treating them as hostages. We should make them a force able to win — and therefore to deter — or they should come home.

Richard V. Allen, former national security adviser to President Reagan.

Only if we are convinced that Europe no longer wants them. Having our troops in Europe is crucial to our national security interests, and to Europe's. If it were possible to reach a verifiable and balanced agreement on mutual force reductions with the Soviet Union, then we could conceivably withdraw troops at Europe's invitation.

Zbigniew Brzezinski, former national security adviser to President Carter.

We should not withdraw all troops, but I agree with Senator Sam Nunn and Henry Kissinger that some reductions are justified, both for military reasons, since it would give us other options, and because I think it is in our interest to set in motion a process in Europe whereby there is a

This comment is adapted from "The Defense Budget: A Conservative Debate," in the summer issue of Policy Review, the quarterly of The Heritage Foundation. The responses cited were to the question, "Under what circumstances should we withdraw troops from Europe?"

gradual reduction eventually in both American and Soviet armed forces. A more autonomous Europe is in our geopolitical interest.

James Woolsey, former undersecretary of the navy and adviser to the U.S. delegation at the SALT-1 negotiations.

Given the size of the Soviet conventional threat, including their chemical warfare capability, I don't think we should pull troops out of Europe. I can see significant reductions of U.S. manpower only if the West Germans effectively arm their territorial reserve.

Robert L. Pfaltz, president and director of the Institute for Foreign Policy Analysis.

We should deploy troops in Europe as long as ground forces, maritime capabilities and air power are supplied principally by NATO-European states. The United States has a vital interest in deterring, or preventing, the outbreak of war in

Europe because it would be next to impossible for our armed forces to liberate Western Europe if it was seized by the Soviet Union.

Admiral Thomas Moorer, former chairman of the Joint Chiefs of Staff.

The number of American troops over there is not significant except in the image context. As long as the American troops are there, the Soviets know they cannot attack Western Europe without getting the United States involved in a war. But I think the Europeans should do their share.

Seymour Weiss, former director of the State Department's Bureau of Politico-Military Affairs.

I see no circumstance in the foreseeable future in which it would be in the U.S. interest to withdraw our forces. We aren't keeping troops in Europe simply out of the goodness of our hearts.

Jack Kemp, representative from New York.

I do not believe that withdrawing from Europe is a rational response to concerns that the allies should do more in their own defense.

Helmut Sonnenfeldt, a senior member of the National Security Council from 1969 to 1974.

The security of Europe is a commitment that requires the military presence of the United States in Europe. There may be circumstances in which I could envisage some rearrangement of forces in Europe, but I can't foresee any circumstances in which the United States could wisely withdraw the totality of its forces.

James T. Hackett, editor of National Security Record, a Heritage Foundation publication.

Following the collapse of the Soviet empire, it would be imprudent to do so prior to that event.

International Herald Tribune.

The Developing World Is No More a Remote Place

By John Maxwell Hamilton

WASHINGTON — Last year, when Dr. Pepper cans showed up in Hattiesburg, Mississippi, with "mysterious Middle Eastern" writing on the lids, it was front-page news.

Customers returned the cans unused. Before the nearby canning plant revealed that the cans were left over from a foreign export contract completed several years ago, rumors spread of a foreign plot.

Hattiesburg's reaction is not surprising. Americans think little about economic interdependence with the Third World. National statistics about interdependence can seem abstract. It is one thing for the Treasury Department to estimate that for every \$1 billion lost in exports, 25,000 Americans are put out of work. It is another to find and shake hands with the 425,000 Americans who are jobless because debt-ridden Latin American nations had to cut imports from the United States by close to 50 percent between 1981 and 1983.

Longstanding cultural and economic ties with Europe also blinker American recognition of the growing economic importance of developing countries. The fledgling independence and often chaotic governments of those countries seem to make them relatively insignificant.

Few Americans would think to ask — let alone correctly answer in the affirmative — the question, "Do the developing nations purchase more American goods than Europe and the Soviet Union combined?"

A web of ties bind American communities to the Third World. Most large businesses and many small ones in the Hattiesburg area report trade with developing countries. For some, such trade is dramatic.

The Hercules Incorporated chemical plant, the city's largest employer, cut its work force by about one-fifth two years ago when it decided to import resin from China rather than make it locally at twice the cost. The Johnson Music Company built a regional wholesale business on South

Korean guitars, drums and pianos.

Nearly all of the wheat and soybeans raised locally are sold to developing countries via nearby ports.

The Miller-Picking Hattiesburg plant exports, on average, 50 percent of its custom-made heating, ventilating and air-conditioning units to developing countries.

The newly built Leaf River Forest Products plant, which exports to export 60 percent of its pulp, has targeted Indonesia as one of its best potential customers. The reason? Indonesia has just passed a compulsory education law, and that means the market for books is going to grow.

The University of Southern Mississippi, like all the state's universities, has higher admission standards for foreigners than for Americans. Yet despite the drop last fall in overall enrollment, the number of foreign students increased. In fact, it has doubled in the last three years. Almost all of the university's foreign students come from the Third World.

Some 2,300 Vietnamese make up the most recent group of immigrants to escape poverty and political upheaval for the security of southern Mississippi. A Nigerian doctor came to Hattiesburg in 1977, filling a large void in the black community. Chinese newcomers have opened restaurants that are now filled with clients who once thought of dining out only on country-fried steak and potatoes.

The mother of the 1979 Miss Hattiesburg is a Nicaraguan.

One of the major environmental problems in the developing world, deforestation, has caused water shortages in the Panama Canal watershed. These shortages restrict the passage of ships carrying Hattiesburg products and commodities.

Unions, businesses, civic groups and especially churches are involved in a wide array of foreign aid activities. As just one example, Mississippi Roman Catholics provide 30 tons of

red beans a month to a mission they sponsor in Saltillo, Mexico.

The local Panama Pump Company sold 30 firefighting units to Thailand through a contract with the Agency for International Development.

A company specializing in anti-corrosion technology offered to pay for the training of two Chinese in its plant. Anti-corrosion technology is important in oil drilling, which is one of the biggest economic activities these days in China. "Like my Daddy used to tell me," said one of the company's owners, "I never made a plug nickel off my enemies, but I've made a fortune off my friends."

This interdependence with the Third World is not static, but an episode in Mississippi's constantly shifting relations with the world. A

century ago, economic troubles drove Mississippi legislators to pass a constitutional amendment defaulting on the state's European debts. Last year Mississippi's largest bank, Deposit Guaranty, reported \$32 million in foreign loans, most to financially troubled countries in Latin America.

No one can say what the next 100 years will bring. But a quick look at Hattiesburg shows that, contrary to popular impressions, events in developing countries are shaping events in industrialized America today.

The writer, who is North America adviser at the World Bank, recently spent a month working for The Hattiesburg American. The article is part of a series of articles he will be writing for the Hattiesburg American project to improve local reporting on the Third World. He contributed this comment to The New York Times.

LETTER TO THE EDITOR

Nairobi Has Survived

Putting up 15,000 guests at the United Nations women's conference and the Nongovernment Forum '85 was rough on Kenya hospitality. Three weeks of "equality, development and peace" rattled Kenyan males, exposed Kenyan women's lot to world scrutiny and caused a city-wide face lift for Nairobi. Official antics and local gossip spread waves of culture shock in delegate ranks.

If we were caught off guard, Kenya was clearly not ready for us. A severe bed shortage was met with traditional stress-reducing techniques (nod, smile, reassurance), yet the problem persisted. The organizing committee had been non-prepared for months. Last winter's reservations floated on scraps of paper around Kenyatta Conference Center's plastic tower.

Tourists absent on safari were evicted to make room for Forum '85 delegates who were later displaced by the UN sisters. "Imperialism!" we cried,

and stomped back to our workshops.

Comfort came from the minister of culture with an explanation of Kenya's free press at the opening press conference. "Feel free to write about us," Avoid "provocative journalism." Quote "the right sources." And "do not force me to defend myself."

"The Daily Nation" and "The Standard" dish up national politics as a social register and reserve their stung for international scandal. Kenyan news diet is thus a comfortable mix of business fraud, gore and carnage or wife-beating.

Newsroom fraternities eagerly followed the conference in the human interest pages. "30,000 legs covered by 15,000 skirts" was an exciting prospect until their own wives were to start "asking me to wrap napkins around Junior and open the door for pub."

Columbian Mambo, alias the Daily Male, was concerned lest Kenyan women join an international

housewives' strike and "loosen the bonds of subservience by which we all wish you to be tied."

Relax, Mambo, your cook-cleanness-mother was too busy with three-quarters of Africa's agricultural work to make the conference.

But 15,000 women did change the lives of thousands of Nairobi's prostitutes. Forced to abandon children, many were detained with beggars and street-vendors in the authorities' pre-conference cleanup.

Should Nairobi be sent down from the school of women's conference machinations, for police repression in the housing fiasco? No, for the warmth and directness for Kenyans' hosts and guests showed. However, better prepped for the fast exchange of equality, development and peace.

MICHAELA SCHNEIDER, Alderney, Channel Islands.

Confusion On the Way To Market

By Anthony Lewis

BEIJING — Imagine a bicycle manufacturer who finds that he has to pay sharply different prices for his steel — from \$225 to \$700 a ton for the same steel products. Now you have an idea of some of the strains that China's economy is undergoing as it moves toward a market system.

Bicycles are necessities in China, and so the national planning system requires that every bicycle enterprise make a certain number at a fixed price. The manufacturers get steel at a fixed price, too — about \$225 a ton.

But the bicycle manufacturers who meet their official quotas are encouraged to go on and make more. They can sell those bicycles at free market prices, but they also have to buy steel at higher market prices. They obtain it at 600 "productive materials markets" around the country where industrial goods are traded. Or they can barter bicycles for steel.

Complicated? A Chinese economist who advises the government on reform programs uses the word "chaos" in talking about the price system.

Another economist, Song Ting-ming of the State Commission for Restructuring the Economic System, said that the aim is eventually to reduce the supply of fixed-price materials bit by bit, year by year, he said, "and enlarge reliance on the market."

One reason for phasing out the system of fixed prices for basic necessities is that it relies on state subsidies, which are extremely costly. Every kilogram of cooking oil sold at the fixed price costs the government about 60 cents. Subsidies for staple foods add up to \$5.5 billion a year.

Non-staple food prices were freed in May, Mr. Song said the intention was to free staples such as grain, too, in time. He emphasized the need for caution. "We have to let people get used to the idea of prices changing," he said. "We cannot run fast at first."

Moving industrial prices toward a market basis, which is just beginning, is especially tricky because of the local interests involved. Industrial enterprises may be set up not only by the national government but also by provinces and counties, with each fixing its production targets and prices.

The city of Yingkou, for example, set up a factory that makes 200,000 washing machines a year with know-how from a Japanese company.

Abandoning all rigidity and going to a market system would be traumatic, in the short run at least, because materials are in such short supply that prices would leap. China has seller's markets in just about everything. Steel is so short, and hence so costly on the free market, that the local producers mocked as "backyard steel mills" in the Great Leap Forward 30 years ago have reappeared.

Apart from prices, another fundamental dilemma of the economic reform process is the notion of failure. In a competitive system the inefficient are supposed to fail. Is that notion acceptable in China? "Failure is the core of the problem," the economist advises I met said. "If we don't allow failure, the nation or locality has to subsidize the enterprise."

Bicycles indicate the problem. China has three bicycle companies whose brands are valued and are in short supply everywhere, while others are in surplus. Shouldn't the latter manufacturers be allowed to fail?

But in the People's Republic the enterprise is the basic social provider. It provides health care to its employees, and pensions. If it is allowed to fail, where will the safety net come from? The economic reformers are talking about a national scheme of social insurance, perhaps handled by an independent financial institution.

Listening to the reformers, one has to forget all past notions of what a socialist system may do. Mr. Song remarked that individual bank savings had reached nearly \$50 billion and that there were plans to put that money to work in solving the housing problem. Families would be able to put their savings down for private commercial housing.

The changes to make the economy responsive to market principles are staggering to contemplate. A whole new system of business taxation has started. Officials say there will have to be bankruptcy laws. Accountants, tax collectors — one's head swims.

The complications all present a chance for skeptics and conservative opponents of reform to fight the process as it goes on. No outsider can accurately weigh the chances of it going ahead. But the unbroken success so far — the sharp gains in agricultural production and in the variety of retail goods available — give a certain momentum as the formidable task of reshaping a backward industrial economy begins.

The New York Times.

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مكاتبنا في القاهرة



Tamils fleeing the racial violence in Sri Lanka sought refuge Tuesday at temporary camps.

Tamils, Sri Lanka Will Reopen Talks In Bhutan, Indian Officials Report

By Sanjoy Hazarika
New York Times Service

NEW DELHI — India has succeeded in inducing Tamil leaders to renew peace talks with the government of Sri Lanka, Indian officials say.

An Indian spokesman said that talks will resume later this week in Thimbu, Bhutan, after six members of the Tamil delegation, who walked out of the negotiations and flew to Madras on Monday, complete consultations on strategy. The Sri Lankan Tamils have used the southern Indian Tamil city of Madras as their headquarters.

The Sri Lankan government is expected to make new proposals regarding Tamil ethnic demands for greater political autonomy.

The Indian announcement Monday followed a diplomatic effort to salvage the negotiations, which seemed to have collapsed after the militant Tamils accused Sri Lanka of massacring more than 400 Tamils last week, and walked out on the talks. The Sri Lankan government has denied the accusations.

Earlier, Tamil radicals called for a renewal of fighting against government troops, which would have destroyed a fragile truce that was negotiated three months ago.

Anton Balasingham, who is a leader of the largest insurgent

group, the Liberation Tigers of Tamil Eelam, said in Madras: "There is no meaning in the ceasefire. It is better for the Tamils to fight and die rather than die without fighting." He spoke after the reports of massacres.

The peace talks began last month at India's urging. The Tamils, an ethnic minority representing 18 percent of Sri Lanka's population of 16 million people, have been demanding a separate state.

A government spokesman in Colombo said Sunday that 37 Sinhalese fishermen had been slain in the Trincomalee area and that the death toll in three days of clashes was 92.

Despite the violence and ensuing walkout, nine other Tamil leaders remain in Thimbu. They have had no contacts with the Sri Lankan negotiating team.

The Indian foreign secretary, Romesh Bhandari, flew to Thimbu last weekend in an effort to salvage the talks. He was reported to have urged Sri Lanka to curb the violence and to offer new proposals that would give greater autonomy to the Tamils.

Sri Lanka has suggested that the Tamils eventually be given control over elected district and provincial councils, which would be autonomous. The Tamils want a separate

state consisting of the northern and eastern provinces of Sri Lanka. They are asking control over internal security in those states.

Second Massacre Alleged
Tamil separatist guerrillas said Tuesday that "hundreds of bodies" were found in eastern Sri Lanka after what they called a second massacre by government troops, the Press Trust of India was quoted by Reuters as reporting Tuesday from New Delhi.

In Colombo, a Sri Lankan Defense Ministry spokesman told Reuters that the latest guerrilla aspersions were absolutely false.

"During the last 24 hours the situation in the country has been calm," he said.

The news report from New Delhi quoted a spokesman for the Liberation Tigers of Tamil Eelam as saying he did not know how many Tamils had died in the attack in the Trincomalee area. The attack took place Monday and Tuesday, he said.

The bodies were found on the streets of Pankulam and Uchiveli near Trincomalee, he said, adding that most houses in the two areas had been burned down. Survivors reportedly fled to nearby jungles. Tamil guerrillas groups also alleged there was an earlier massacre in Trincomalee last week.

Mozambique Looks Increasingly to West

By Alan Cowell
New York Times Service

MAPUTO, Mozambique — When Mozambique celebrated its 10th anniversary of independence from Portugal in June, it was not surprising that the guests included several Russians, who arm this Marxist country, and others from countries professing socialism.

But in the viewing stands was another figure, the British financier Roland (Tiny) Rowland, whose company, Lombo, was once described by Edward Heath, the former British prime minister, as the "unacceptable face of capitalism."

Mr. Rowland was in Mozambique to buy a hotel and some farms. And he, too, was an honored guest.

At the time of independence from Portugal on June 25, 1975, in the heady flush of victory and newly won power, the presence of such a representative of Western acquisitiveness might have seemed unlikely in a nation that saw itself as Communism's new bridgehead.

In the last decade, however, the pressures of war and famine and economic decline have forced Mozambique to embark on a turn toward the West. A senior Mozambican official said that the shift, accelerated by a U.S.-brokered nonaggression agreement with South Africa last year, seemed to have brought few results.

"There are some," the official said, "who are beginning to say that 'turning to the West has brought us very little in return.'"

"And as far as South Africa is concerned, the agreement has given us a dilemma," he said. The nonaggression pact was supposed to halt a widening insurgency promoted by South Africa in Mozambique. But, the official said, the accord is becoming "less and less defensible" because the conflict has not stopped, despite South African avowals that it no longer supplies the rebels.

"The problem," the official said, "is that if we tear up the agreement,

the dogs of war will really be unleashed" again by the South Africans.

The gloomy view of the West is disputed by some Western envoys, who argue, for instance, that without Western food aid during a crippling drought, many more Mozambicans would have died of hunger. Moreover, one diplomat said, the people of Mozambique know that their food comes from the United States and elsewhere and so are thankful to Western countries for the rice and butter, as against the Soviet arms supplies.

Yet, to a visitor who has been coming here for the last eight years, the reality seems less comforting and the evidence seems to point to continued decline that will compel President Samora M. Machel to rely on a variety of outsiders for many years to come.

It is acknowledged that the hope for economic recovery and, increasingly, of acquiring new military skills, lies with the West. To win this support, Mozambique has bowed to Western pressures to join the International Monetary Fund, has signed a trade agreement offered by the European Community to developing countries and has begun several other measures designed to show Western countries that, for all its Socialist slogans, the country is no stooge of Moscow.

That much seems to be accepted by the Reagan administration, which earlier this year sought \$1 million in nonlethal military aid for Mozambique. Congress blocked the move.

Still, the offer heartened some people here, who took it as a sign that the administration did not view Mozambique as a land where the foes of Marxist rulers should be supported, in contrast to places like Angola, Nicaragua and Afghanistan.

In acknowledging the failure of Soviet support to counter the insurgent Mozambique National Resistance, Mr. Machel also seems to be

trying to build a coalition of backers beyond superpower rivalry.

Thus, increasingly, Mozambique is seeking the help of neighboring Zimbabwe to defend the oil pipeline, highway and railroad that run from the port of Beira to the border town of Mutema. Initially, Zimbabwe sent 1,000 soldiers to guard the route. Now the number is put at 4,000, and a Western diplomat said, by later this year it could be 8,000.

Mozambique also is to send officers to Zimbabwe for training by British instructors based there and is seeking military cooperation with France and Portugal. The intention, officials say, is to prove that the country's problems do not arise from rivalries between East and West, but are part of the regional tensions surrounding South Africa's policy of apartheid.

And yet, the nation seems ever more fragile. The Russians, for in-

stance, have supplied advanced Mi-24 helicopter gunships for the fight against the insurgents, but the helicopters sit idle at the Maputo airport, without fuel.

The insurgency has paralyzed the nation, but Mozambican officials insist there can be no political settlement with the rebels. Rather, the solution is seen in military terms. There, other problems arise.

At independence, said a Mozambican scholar with close ties to the authorities, the government sought to transform a guerrilla force that had fought the Portuguese into a Soviet-trained and equipped conventional army facing South Africa. That attempt now seems to have been misguided.

"There is a process of rethinking in the army," the scholar said. "There were brilliant guerrilla commanders, but it is very difficult to see them transformed into the commanders of a classical army."



Samora Machel

Malaysia Fears Increasing Influence Of Islamic Extremism in Public Life

By Barbara Crossette
New York Times Service

KUALA LUMPUR, Malaysia — With national elections expected early next year, political leaders are expressing fear of what they see as the growing influence of Islamic fundamentalism on public life. The government has served notice that it will not tolerate the trend.

"Religious extremism could threaten the very fabric of life and destroy the very success that we have achieved thus far," Musa Hitam, a Moslem who is deputy prime minister and home affairs minister, recently told foreign journalists.

Secularism is having profound effects, notably in Iran and other Middle Eastern countries. Here in Southeast Asia, many Malaysians said it poses immediate and immense challenges to their delicately balanced society.

At risk are racial harmony between Chinese and Malays, forged carefully since ethnic riots in 1969, and policies of "positive discrimination" designed to help Malay Moslems overcome economic disadvantages. Beyond that, fundamentalism threatens the open, free-wheeling economy and society credited with making Malaysia one of the Third World's success stories.

About 50 percent of the 14.8 million people are Malay Moslems. Islam is the official religion, but freedom of worship is guaranteed — to Buddhism, Taoism, and other faiths of the Chinese (about 35 percent of the population), to Indian Hindus and Sikhs, and to the Christianity brought by missionaries in British colonial days.

"The Chinese screamed at him and he said he'd look into the matter," a foreign student remarked.

Neighboring Indonesia, the world's most populous Moslem nation, has not given constitutional precedence to Islam. Instead, it said, "In a multireligious, multicultural society like ours, we just say: 'No nonsense allowed!'"

Equally important, Mr. Musa added, is a campaign to demonstrate to fundamentalists that Islam is vital and adaptable, with no need to reject progress and social liberalism.

As Malaysian dancers in colorful garments entertained his dinner guests, Mr. Musa said he was encouraging folk arts and asking national television to show the popular, even risqué, sides of Islamic culture in countries such as Egypt and Tunisia. "I want them to know there can be happiness, love ... sin!" he said.

So sensitive is the subject in Kuala Lumpur that when reports of most of Mr. Musa's remarks to the foreign correspondents appeared in local newspapers, his comments on Islam were omitted.

Mr. Musa, who has a graduate degree in international affairs from Britain's Sussex University, said he was aware that steps Malaysia might take to control religious extremism could seem undemocratic in the West.

"It is an irony in the political world," he said, "that the anti-democratic forces would always try to appeal to democratic principles to succeed. They would be the first to be critical of such so-called suppressive laws. But whenever they have the chance to be in power, my God, they go much further than that."

Several Islamic extremists have been detained under the Internal

Proposed Amendments in U.S. Law On Extradition to U.K. Are Assailed

New York Times Service

SAN FRANCISCO — Proposed changes in an extradition treaty between the United States and Britain that would allow the transfer of people accused of political crimes have become an issue in the cases of two men fighting extradition to Britain.

Attorneys for the men, William J. Quinn in San Francisco, and Joseph P. Doherty in New York, said that the Reagan administration is trying, through the new treaty, to justify important distinctions between terrorist activities and politically motivated acts of insurrection that have been carved out by U.S. judges in several recent cases.

The extradition treaty with Britain, which has been in force since 1972, forbids extradition if the charges are "of a political character." This concept is undefined in the treaty, leaving the courts to decide who is exempted case by case.

Mary Borez Pike, a lawyer for Mr. Doherty, said: "Consistent decisions from the federal courts to the effect that offenses committed in Northern Ireland in connection with the ongoing insurrection there are political offenses and not the acts of common criminals are matters of international embarrassment to the British."

The proposed treaty amendments, awaiting action by the Senate Foreign Relations Committee, would sharply circumscribe the so-called political offenses exception to extradition by eliminating such acts as murder, possession of a firearm with deadly intent, and conspiracy to commit bombings, from being classified as political acts.

Patrick S. Hallinan, a San Francisco attorney representing Mr.

Quinn, said placing such limits on the political exceptions would remove "the protection which most people who fled tyranny in other countries had when they came and settled this land." He added: "You can tear down the Statue of Liberty right along with it."

The State Department and the Justice Department maintain that the amendments are necessary to ensure the United States does not become a haven for terrorists.

Stephen S. Trott, head of the Justice Department's Criminal Division, said that the charges that have been proven against Mr. Doherty and those pending against Mr. Quinn are "common terrorist acts of violence."

Morton H. Halperin, director of the Washington office of the American Civil Liberties Union, which has been asked to testify at the public hearings before the Senate committee in September, said that while fugitives who "blew up a department store or threw bombs at people on the street" should be turned over as terrorists, extradition should continue to be denied for "some violent acts that are part of a traditional rebellion against a government."

Mr. Doherty, an IRA member, was found guilty by a British court in Belfast in 1981 of killing a British soldier and was sentenced to life in prison. He escaped and was arrested in New York in 1983.

In December, Judge John E. Sprizzo of Federal District Court ruled against returning Mr. Doherty to Britain, basing his decision on the political offenses doctrine. Judge Sprizzo reasoned that because the person Mr. Doherty killed was a soldier rather than a civilian and because Mr. Doherty

belonged to an organization with a formal discipline and command structure that had historically fought British rule in Northern Ireland, his crime was a political one. While the government cannot appeal Judge Sprizzo's ruling, Mr. Doherty remains in jeopardy because a provision in the proposed changes in the extradition treaty would make the new rules apply retroactively.

Mr. Quinn's case, which is before the U.S. Court of Appeals in San Francisco, fits less easily into the political framework used by the New York judge.

Mr. Quinn, who was born and raised in San Francisco, has been in prison here since his arrest on Sept. 30, 1981.

The charges against him arise from his stay in Ireland in the 1970s before he returned to the United States in 1979. Britain charges that Mr. Quinn conspired with members of the IRA to carry out a bombing campaign in London.

And in February 1975, an off-duty constable in plain clothes was shot to death on a London street by a man fleeing the questioning of another police officer. Britain charges that the killer was Mr. Quinn.

Britain sought Mr. Quinn's return for trial in Ireland on charges of murder and conspiracy to cause explosions. In September 1982, a U.S. magistrate in San Francisco agreed to extradite him.

But the next month, a U.S. district judge, Robert P. Aguilar, ruled that the magistrate had erred. He said Mr. Quinn had proved the crimes he was charged with occurred in the context of a political uprising.

Russians Said to Wreck Beijing Hostel in Anger

By Daniel Southerland
Washington Post Service

BEIJING — After an academic year here, the first Soviet students to come to China in more than two decades left for home last month in a violent mood, smashing beer bottles and dormitory windows before leaving, according to foreign students at Beijing University.

Foreigners at the university who talked with the 15 Soviet students from time to time over the school year said they had complained of numerous frustrations. The students, specialists of China, fluent in the language, said their access to information had been limited and their advisers useless.

Sent here under the first exchange program between Moscow and Beijing since the early 1960s, the students felt they were being spied on. They often talked and drank in the dormitory corridor to avoid the electronic surveillance devices they were certain had been concealed in their rooms.

After a night of drinking, the students left their dormitory at 6 A.M. on July 5 for the flight home. The other students said. Trash was found piled a foot and a half high in the second-floor dormitory corridor, said one student, who asked not to be identified.

"They left everyone with the impression they absolutely despised the Chinese," the student said.

Taken in the sweep of recent history, the dormitory incident would have to be considered a minor affair. But some foreigners here look upon it as a sign that, while China's trade and other contacts with the Soviet Union are expanding, many tensions still plague relations between the two countries.

Foreign students said the incident seemed more significant than the usual student pranks that occur everywhere. The Soviet students were specialists from leading insti-

A British Officer Caught With Gun Near Royal Castle

United Press International

LONDON — An army warrant officer carrying a loaded pistol was arrested in Scotland near Balmoral Castle, where Queen Elizabeth II and other members of the British royal family were vacationing, the Defense Ministry said Tuesday.

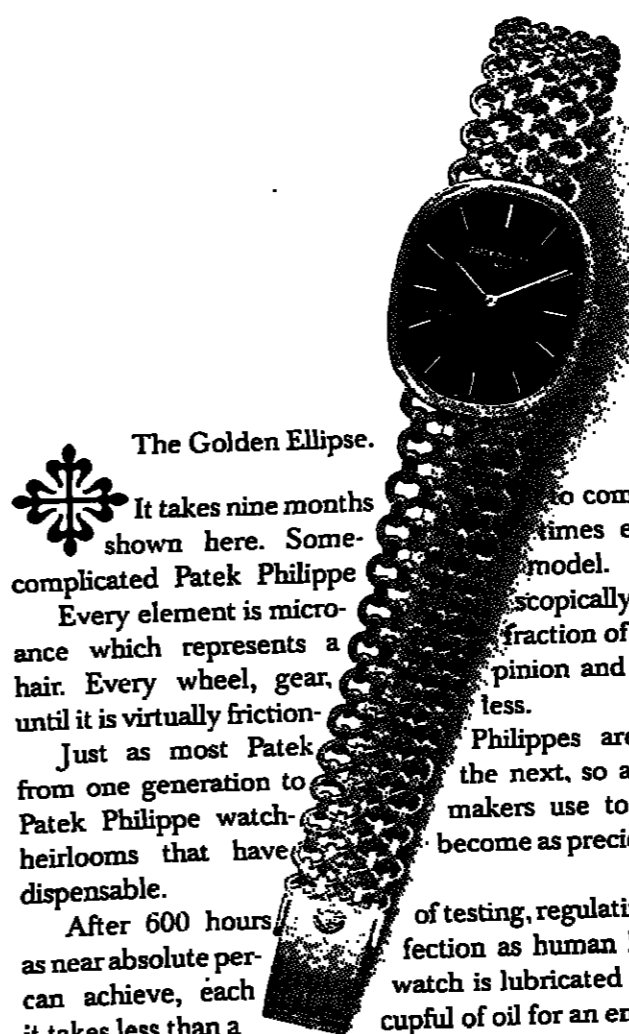
But officials denied reports that senior army officers feared that the man, who was absent without leave, had planned to assassinate the queen.

A Defense Ministry spokesman said Tuesday that the warrant officer, Paul Rowan, went AWOL Aug. 12 from near the central English town of Leicester with "a pistol and some ammunition." He said that Mr. Rowan was arrested Friday within several miles of Balmoral Castle.

The Leicester police said that Mr. Rowan belonged to the Pay Corps and was attached at the Glen Parva barracks in Wigston, about 90 miles (145 kilometers) northwest of London.

The Daily Star newspaper quoted an officer as saying that Mr. Rowan had "severe personal problems." The Star said that Mr. Rowan reached the northwest Scottish port of Aberdeen by train during the weekend and then hijacked an army vehicle. Military patrols had been set up around the castle, the newspaper said.

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LONGEVITY SECRET — John Evans, the oldest man in Britain, was 108 on Monday. The former Welsh miner from Swansea puts it down to not drinking or smoking.

INSIGHTS

New Cities, Old Problems in Pretoria's Homelands

By Alan Cowell
New York Times Service

EKANDUSTRIA, South Africa — The brochure brims with bustle and hope. Here, at an industrial site straddling the nominal and invisible border between a so-called black homeland and white South Africa, 29 industries have been set up and 22 factories are being built. Nearby, a new town called Ekangala is rising; its population is projected to be 300,000 by the year 2000.

Build here, the officials say, and there will be subsidies for wages and construction costs and the importing of raw materials.

To the north, at Syabuswa, where a government dependent on Pretoria sits in offices converted from a school, the capital already is overstretched. And so, in the manner of Tanzania or Nigeria, a new capital is to be built farther south, closer to the heart of the homeland called KwaNdebele, 50 miles (81 kilometers) from Pretoria.

On a tour of KwaNdebele earlier this month, President Pieter W. Botha called it "this wonderful young country."

A visitor might find it difficult to understand the euphoria over what seems a stretch of scrub, carved from South Africa to produce a homeland for people of Ndebele descent. Its budget is made up mostly of South African subsidies, and most of its workers commute at least 80 miles each day in buses to jobs in Pretoria. All of them, under existing laws, would lose their claim to South African citizenship when KwaN-

debele is declared independent, possibly late next year.

Amid the worst racial crisis in years to be prompted by the policies of apartheid, a central strand of those policies continues with the construction of the homelands. The process reveals something about the blacks with whom Mr. Botha wishes to negotiate South Africa's future.

SOUTH Africa has created 10 homelands, and four — Bophuthatswana, Ciskei, Transkei and Venda — have been given an independence that no one outside South Africa recognizes. In all, the homelands cover 13 percent of the country, and according to official census figures they are home to more than half of South Africa's 23 million blacks.

The smallest of the six that have not been declared independent is called Qwaqwa, with roughly 120,000 acres (48,480 hectares), sandwiched between white farmland and the Drakensberg Mountains. The biggest is KwaZulu, home to the nation's six million Zulu descendants. South Africa has spent millions to buy white farmland for black homeland settlement, and the implication of Mr. Botha's visit was that the spending will go on.

Construction of the new KwaNdebele capital, according to Philip Kotzenberg, general manager of the KwaNdebele National Development Corp., will cost the equivalent of \$12 million to \$15 million. The homeland itself, which covers 250,000 acres, is to be expanded to more than 650,000 acres with the acquisition of more farmland from whites.

The annual budget of KwaNdebele — which has provided, among other things, schools, clinics

and a fleet of silver Mercedes-Benz sedans for the eight ministers who rule over 400,000 people — is equivalent to \$34.5 million, of which \$27.5 million comes directly from South Africa.

Explaining the growing population, which was officially put at only 150,000 five years ago, Mr. Kotzenberg spoke of a great return of Ndebeles. Yet according to unofficial figures, less than half the population is Ndebele.

To cynics, this place of barren ground and poor homes seems less a homeland than a labor pool for the distant markets of South Africa's industrial heartland. In this view, it has filled quickly not because of tribal yearnings but because many blacks have been left by law with nowhere else to go and are wanted in white South Africa only for their labor.

The buses here begin running at 4 A.M., carrying workers to distant places and returning late in the evening; the fares are subsidized to ease the daily migration. Some men rise before their children awake and return after they go to sleep.

When he came to Ekandustria on Aug. 9 in a military helicopter, Mr. Botha was greeted by Chief Minister Simon S. Skosana. The two men, along with ministers and aides, conferred for an hour and a half.

"We again showed," Mr. Botha said, "that we could sit around a table and discuss our problems."

Yet Mr. Skosana has little in the way of a constituency, and other black leaders, who reject people like him as puppets, see the country's problems differently.

Speaking at a recent funeral, Bishop Des-

mond M. Tutu, winner of the 1984 Nobel Peace Prize and the first black Anglican bishop of Johannesburg, said, "It is quite simple how to solve our crisis."

Appealing to Mr. Botha, Bishop Tutu said: "Please release our leaders who are in jail. Allow our leaders who are in exile to return home and then sit and talk with our leaders, for our people do not want to fight."

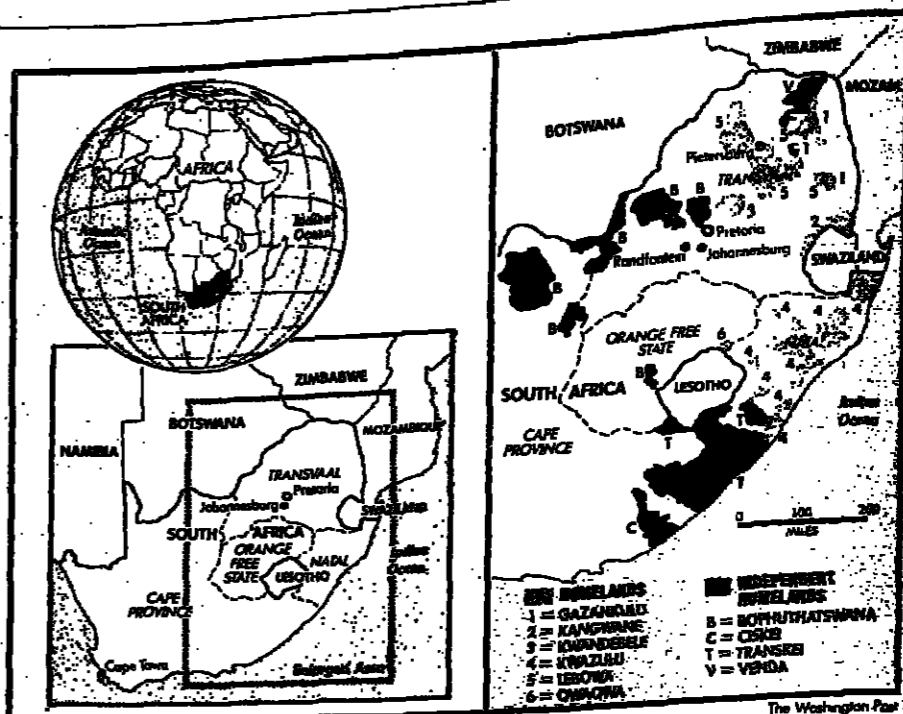
The reference was clearly to the African National Congress, the most prominent of the outlawed groups fighting white minority rule. Its leaders are the imprisoned Nelson Mandela and the exiled Oliver Tambo.

Earlier this year, Mr. Botha offered to free Mr. Mandela if he renounced violence. The offer was refused, and Mr. Mandela presented his own demands, including the legalization of his group. Since then there has been no public indication of progress toward a meeting of the two men.

By coming to KwaNdebele, shortly after refusing to meet with Bishop Tutu, Mr. Botha seemed to be saying that whatever else happened, he wished to consolidate support among the leaders of the homelands rather than confront more demanding figures.

Among its other consequences, apartheid has splintered black leadership, reinforced tribal distinctions and nurtured political divisions. Chief Gatsha Buthezi, leader of the Zulu homeland, KwaZulu, boasts the best-organized and biggest political organization, Inkatha, and many white businessmen say they believe that no settlement of the nation's problems can be brokered without him.

Yet Chief Buthezi has refused to talk with



Mr. Botha unless the president offers a "declaration of intent" to embark on more sweeping changes that he has made so far.

The chief, in turn, is spurred by radicals in black townships, who accuse him of working within the apartheid system. The Zulu leader himself reserves only harsh and bitter words for the African National Congress and its leaders.

The tangle of conflicting personalities and the increasing radicalism of the black townships

might give Mr. Botha scant comfort, even if talks were held. But in KwaNdebele, he found some solace. As the president left Ekandustria on Friday, P.J.M. Kunutu, the minister of education and culture of the homeland, offered praise.

"I must congratulate you on the firm stand you have taken to restore law and order," Mr. Kunutu said, referring to South Africa's emergency decree. "You can count on our support."

Peres Emerges as Israel's Preferred Leader — at Expense of Likud

By Thomas L. Friedman
New York Times Service

JERUSALEM — After almost a year as the head of Israel's national unity government, Prime Minister Shimon Peres has established himself as the dominant figure in Israeli politics today, according to Israeli political experts.

Mr. Peres, they note, has been far more successful in dealing with Israel's economic problems and ending the country's involvement in Lebanon than many people had predicted when he took office last Sept. 13. It is his success in these areas that appears to have led to his new popularity.

However, the pollsters, consultants and other political experts say that Mr. Peres has been less successful in extending his personal popularity to his party. They say that within his party, the Labor alignment, he has failed to bring forward the new faces and new approaches that would attract more of Israel's growing numbers of Sephardic Jews.

Moreover, while Mr. Peres has put together cabinet majorities for healing the economy and withdrawing from Lebanon, critics within his party and analysts on the left say he has fallen short in defining a direction for Israel and in educating the public in the values in which he believes.

For the most part, he has taken a soft-spoken approach so as not to upset the delicate balance in his cabinet. The result, the pollsters and other experts say, has been that the only strong voices in Israeli politics now seem to come from the far right.

"Considering that he took over with a divided cabinet and a demoralized country, Peres has made some real achievements," said Ze'ev Chafetz, a political consultant who is a former political activist for the conservative Likud bloc. "Before he took office, I was calling Peres a lifetime 235 hitter, to put it in baseball terms. But this year he was definitely the Most Valuable Player. This year he lived up to his potential."

Since becoming prime minister, the Israeli political experts say, Mr. Peres has essentially transformed his image: the widely disliked politician, associated with backroom deals, appears today as a dignified, self-confident statesman. His party now views him not as a liability, but as an asset.

A poll conducted by the Modiin Ezrachi Applied Research Center and published a week ago by the newspaper Ma'ariv found that 47.3 percent of the public preferred Mr. Peres as prime minister, while 6.6 percent chose Yitzhak Shamir, the Likud leader.

TWO years ago, the Labor Party was plagued by infighting between Mr. Peres, Defense Minister Yitzhak Rabin and Education Minister Yitzhak Navon, while Likud was solidly united behind Menachem Begin. Now Likud seems to be fraying, with Ariel



Prime Minister Shimon Peres addressing the Knesset, Israel's parliament, in Jerusalem.

Sharon, David Levy and Moshe Arens maneuvering to succeed Mr. Shamir or even, perhaps, to overtake him. And Mr. Peres is the undisputed leader of his party.

Whereas for years Likud under Mr. Begin was associated with the "national interest" and the political center, that mantle now belongs to Mr. Peres, the political experts said.

"The primary victim of Peres's success has been the Likud," Mr. Chafetz said. "The Likud is finding itself caught between a competent centrist leader, Peres, and the extreme right wing of Kahane. They are having trouble main-

taining an identity. What we are seeing now, in fact, is the real backlash from the loss of Begin." His reference was to Rabbi Meir Kahane, whose view that all Arabs should be expelled from Israel has been gaining popularity.

A recent opinion poll in the newspaper Hada-sha found that if elections were held now for Israel's parliament, the 120-member Knesset, Labor would win 51 seats, compared to 44 in the election held last year, and the Likud 33, compared to 41. Most of the Likud losses would be to the far right.

Likud leaders say such polls fail to reflect the real public mood. They cite others taken months

before previous elections that showed them far behind and were proved wrong.

"It is just a beauty contest now," said Mr. Arens, a minister without portfolio. "If elections come, our traditional support will be there."

According to the 50-month agreement to form a national unity coalition that was signed by Likud and Labor last September, Mr. Peres and Mr. Shamir are scheduled to switch jobs on Oct. 14, 1986. Thus far, neither party has been prepared to break the agreement and try to form a narrow-based coalition or call new elections.

However, with Mr. Peres riding high, more and more Labor supporters seem to be looking

for an issue on which to force a showdown with Likud.

Mr. Peres says he intends to carry out the rotation agreement. In the past his enemies depicted him as a man who did not keep promises, and he cannot afford to appear to go back on a deal.

It seems clear, however, that Mr. Peres's strategy is to press ahead with the peace process with Egypt and Jordan in the hope of creating a breakthrough that would force Mr. Shamir to walk out of the government on an issue of principle that both men could then take to the electorate.

Two achievements appear to have propelled Mr. Peres in the public eye during his first 11 months. Working closely with Mr. Rabin, the defense minister, he was able to put together a majority for withdrawing most of the Israeli troops from Lebanon, by winning over several members of the Likud faction in the 25-member national unity government and solidly lining up the Labor members.

Mr. Shamir opposed the withdrawal plan. But it is now clear that Mr. Peres read the mood of the Israeli electorate correctly, while Mr. Shamir miscalculated. With all but a few hundred Israeli troops out of Lebanon, the war has become a distant memory for most Israelis — which is how they like it.

THE second achievement, the economic austerity package, belongs to Mr. Peres and the finance minister, Yitzhak Modai of Likud. The program included the dismissal of about 14,000 workers from Israel's bloated government bureaucracy and cut deeply into the spending power of the electorate.

"Peres is the first prime minister in Israeli history to assume responsibility for the economy," said Professor Yoram Ben-Porat, a Hebrew University economist. "Peres took charge of it from the start, getting involved in every detail. Having said that, he kidded himself for nine months thinking that things could be accomplished without hard decisions, but once he became convinced that there was no escape, he took them."

Mr. Peres, said Professor Ben-Porat, "is getting the political rewards for the overall results of slowing down inflation, but people still have not felt the personal price they are going to have to pay in terms of their own buying power. We have to wait and see how they react to Peres when they realize just how much their buying power has been reduced."

With the exception of Mr. Modai, most of Mr. Peres's cabinet colleagues have left the prime minister to sell the economic package by himself, to keep their options open if it falls apart. Pollsters have found, however, that this has won the prime minister points with the public.

Turning to what are seen as Mr. Peres's failures in office, some political experts point to his own Labor alignment. The July 1984 elections showed Labor to be deeply unpopular still with Sephardim, Israel's ethnic origins are in Spain or the Middle East. They now make up 48

percent of the electorate, and are expected soon to outnumber the other major group, the Ashkenazim, whose origins are in central and eastern Europe and who dominated politics and society in Israel during the early years of its existence.

SEPHARDIM still view Likud as the party most sensitive to their needs, pollsters say. Labor, they add, has failed to change its image to accommodate the new Israeli constituency.

If new elections were held tomorrow, said one Israeli pollster, Hanoch Smith, many traditional Likud voters might not be able to bring themselves to cast a ballot for Labor even with Mr. Peres's new popularity.

"The biggest problem remains the party," said one leading political consultant who works closely with the Labor alignment. "The good news for Peres is that he's come up in popularity. The bad news is that it doesn't make a difference."

A second criticism of the Peres-led government has focused on its decision in May to exchange 1,150 Palestinian prisoners for three Israeli soldiers. Mr. Peres inherited the basic outlines of the exchange from Mr. Shamir, but his government attracted much criticism for going ahead with the arrangement. Many Israeli security experts describe the deal as one of the worst decisions made by any Israeli government, one that could encourage terrorism and undermine the rule of law.

A third criticism, usually from within Mr. Peres's party and from leftist political analysts, is that Mr. Peres has not used his position to educate and lead the public, shaping values on key political issues.

Mr. Peres's critics note that he was almost silent last month when a group of Jewish terrorists were convicted of murder and other crimes and rightist leaders were calling them "good boys" who deserved to be pardoned. Some of his critics say Mr. Peres also has been less than straightforward on the question of a territorial compromise on the West Bank. He boasts privately of having stopped settlements, but does not publicly argue against the settlement program.

"The only clear position being heard anymore is from the extreme right," said Shlomo Avineri, a political theorist. "Leadership is not just doing the right thing that makes sense in a committee. It is giving people a clear message of where you are heading."

Aides to Mr. Peres counter that he would rather work quietly on the inside — saying that he has indeed stopped all new settlement building — than loudly on the outside. They say he is willing sometimes to stifle his real feelings, for example by supporting a ban on pork, in order to be able to work with the religious parties whose support he needs.

"If we want to achieve things, we have to be a majority," said one associate of Mr. Peres. "There is no majority here without partners from the religious parties. We would rather put up with them than be a rhetorical minority again."

The VDT: Typhoid Mary or a Vision of the Future?

Legislative battles erupt over regulation of the video display terminals that are changing millions of U.S. jobs

By Henry Weinstein
Los Angeles Times Service

SALEM, Oregon — Over the past four years, a legislative battle has developed across the United States over efforts by women's groups and labor unions to regulate the video display terminal, an electronic tool that is dramatically changing millions of jobs.

The video display terminal, or VDT, is a computerized hybrid of the typewriter and the television set, and it is rapidly making the typewriter obsolete. About 13 million Americans now use VDTs, and the electronics industry estimates that 60 million terminals will be in use in the United States by the turn of the century.

The person who takes airline reservations on the telephone, dispatches service for a leaking gas line, transcribes doctors' reports in a hospital, answers questions about the cost of an auto insurance policy or writes or edits a newspaper article now is or soon will be using a VDT. It is the foundation stone of the automated office.

Legislation has been introduced in 20 states seeking some type of regulation of VDTs. Proponents have cited scientific studies showing that many workers who use the seemingly innocuous electronic appliances are suffering from eyestrain and fatigue, backaches and head-

aches, debilitating wrist injuries and psychological stress.

So far, lobbyists for both the VDT manufacturers and the companies with large numbers of employees using the terminals have convinced the legislatures that no laws are needed. They argue that VDTs are safe and that any stress problems can be solved through the voluntary efforts of employers. The vast majority of the bills died in legislative committees.

In mid-June, however, the National Association of Working Women and the Service Employees International Union announced a breakthrough in what they termed their campaign for VDT safety. A statement by the two organizations trumpeted the fact that both houses of the Oregon Legislature had approved a bill regulating the operation of VDTs.

THE victory was temporary. Oregon's Republican governor, Victor G. Atiyeh, vetoed the bill, which had been opposed by representatives of the electronics and newspaper industries, among others. The governor indicated that he thought such a law would be harmful to the state's business climate.

Oregon has been cultivating high-tech industries and the state's largest private employer is Tektronix Inc., which manufactures VDTs.

The supporters of regulation said they are disappointed, but the clash over safety is only beginning.

"One of the reasons we're so cheered is the issue didn't exist in the public mind five years ago — in terms of the public mind five years ago — in terms of the public mind five years ago," said Deborah Meyer, director of public information for the National Association of Working Women. "We feel we've made people realize there are some drawbacks to using technology and it's time now to start addressing those things."

Some of the nation's largest corporations —

including AT&T, Hewlett-Packard and IBM — and trade associations — including the Electronics Association, the American Insurance Association, the Air Transport Association and the American Newspaper Publishers Association — formed the Coalition for Office Technology this year to combat VDT regulation. Many of the group's 27-member organizations contributed \$20,000 each to get the coalition started.

The coalition's chairman, Larry Zippin, said that concern over VDTs is similar to the response that other new products encountered when they came on the market.

"I remember when we got a television, my mother said to keep the light on and stay six feet away," Mr. Zippin said. "I remember concern over microwave ovens. It takes a little while for new technology to be accepted."

An Oregon state senator, Margie Hendrickson, a Democrat who introduced the bill that Mr. Atiyeh vetoed, is troubled by the contention that enacting legislation would send a "bad signal" to the business community. "Germany has regulations and no one can say they're anti-economic development," she said.

West Germany's law includes detailed VDT regulations covering a wide range of factors. These include the design of the terminal, and the size, luminance and flicker rate of the characters on the terminal screen. In addition, the regulations require that the desks on which the terminals are placed be of a certain height and width, and that the keyboard be detachable, with a certain tilt and a nonreflective finish.

Several of the bills introduced this year were considerably more sweeping than the one in Oregon. For example:

• A California measure would have set health and safety guidelines and ergonomic standards for terminal operators. It would have

directed employers to ensure that all work station equipment, including VDT components and light sources, be adjustable.

• A measure introduced in Connecticut would have required employers to inspect and maintain VDTs twice a year and to provide annual ophthalmologic exams for workers.

• An Iowa bill would have required adjustable furniture, ways to reduce glare, mandatory rest breaks and alternative work during pregnancy.

• A proposed law in Maryland would have combined equipment design standards, radiation testing and right-to-know provisions requiring employers to provide detailed information to employees about the known and suspected dangers of working on terminals.

At present, it is considered unlikely that Congress or the federal Occupational Safety and Health Administration will enact regulations governing VDTs. As long as there are no federal standards, unions will continue to advocate the need of state laws, said David Eisen, research director for the Newspaper Guild.

In some states, the VDT Safety Coalition has received positive action without the need for legislation. In New Mexico for example, Governor Toney Anaya issued an executive order earlier this year with rules for the future purchase of VDTs for state offices.

OPONENTS of government action say that collective bargaining is the appropriate response. In several instances in recent years, unions have gained contractual protections for employees using terminals.

Last November, workers at Equitable Life Assurance Society's office in Syracuse, New York, secured, among other things, the requirement that the company provide glare-reducing screens, detachable keyboards, adjustable chairs and periodic maintenance.

Workers also will be given access to computer-generated information on their individual productivity, which is monitored by the company. VDT operators complain that monitoring — which can measure the employee's arrival and departure time, keyboard speed, number of errors and frequency of breaks — is likely to be a subject of future legislation and labor negotiations.

Still, most office workers — about 85 percent of the people currently using VDTs on the job — fit in that classification — have no union representation, noted Pam Haynes, the health and safety director for the Air Transport Employees Union.

The body of medical literature is growing. The National Institute for Occupational Safety and Health and other scientists in the United States and abroad have documented the physical discomfort and stress experienced by VDT users.

Some of those problems are attributable to the fact that using a VDT is different from using a typewriter, said Diana Rose, director of research for the National Association of Working Women. A person using a typewriter rolls paper in and out of the machine, often uses a carriage return and periodically stops to file away the finished product.

In most instances, the VDT eliminates all those steps. One study showed that a person who could type 15 pages an hour could generate the equivalent of 25 pages on a computer terminal.

"A high rate" of muscular-skeletal complaints among workers also has been revealed in several surveys, Ms. Rose noted. For example, one Swedish study showed that 54.8 percent of eye problems, 43.7 percent of back problems, 30.3 percent of headaches, 15 percent of neck problems, 25 percent of shoulder problems and 18.8 percent of wrist problems.

She said there is a small but growing number of workers' compensation claims that have been settled in favor of workers for what is known as

cumulative trauma injuries such as carpal tunnel syndrome, an inflammation of wrist ligaments that ultimately can cause a person to lose strength in his or her grip.

Acting at the request of the San Francisco Oakland Newspaper Guild, the National Institute for Occupational Safety and Health in 1981 released the first comprehensive evaluation of the job stress problem among VDT operators.

The major finding was that working with VDTs was associated with high levels of job stress, the report noted. The survey showed that "significantly more clerical VDT operators reported job stress health problems than did professionals using VDTs, or control subjects."

The health issues that are the subject of the most intense debate are whether terminals emit dangerous levels of radiation and whether using a terminal can have harmful effects on a pregnancy.

LAST year Donald Millar, director of the National Institute for Occupational Safety and Health, said that radiation emissions from VDTs are not hazardous. However, he cautioned Congress: "Although we do not see any physiologic mechanisms whereby VDTs could impair reproductive function, we do not have the information to definitively rule out an effect of VDTs on reproduction."

Nonetheless, there have been several reported clusters of problems in pregnancy in the United States and Europe.

For example, at a United Airlines reservation center in San Francisco, there were problems with 24 of 48 pregnancies among the workers there, according to a report by the National Association of Working Women. The National Institute of Occupational Safety and Health reached an evaluation but said it could not reach any "substantive conclusions" because not enough women responded to the survey.

In June, the Service Employees union and National Association of Working Women announced plans for a \$1-million, four-year study to determine if there is a connection between use of the VDT and pregnancy problems.

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WEDNESDAY, AUGUST 21, 1985

INTERNATIONAL MANAGER

Tailoring the Résumé To Sell You Anywhere

By SHERRY BUCHANAN
International Herald Tribune

PARIS — Summer is a good time to update your résumé. To maximize your chances of getting a job with different West European companies, you may need different versions of your résumé to suit the nationality of the company.

Résumés throughout Europe, according to recruiters, are becoming increasingly standardized on the U.S. and British models: a clear, concise statement that runs no more than one or two pages listing degrees and jobs in reverse chronological order and giving the address of the university and company, the nature of the company and a short description of duties and responsibilities.

Often lacking in European résumés are specifics about the job itself that can be helpful to both the candidate and the employer: a short description of the company; the number of people managed; for a marketing or sales job, the amount of sales generated in a year; for a senior post, the amount of the budget under your control.

"In France, people don't know how to do their résumés; they're no better than discharges. Because executives aren't used to moving much, they never give the size of the company or what the company does, for example," says Marie-Annick Flambard-Guy, an associate director with Russell Reynolds & Associates, the French subsidiary of the U.S. executive-search firm.

BUT, depending on the job and the company, a U.S.-type résumé may not be entirely appropriate. The more traditional company, the more the résumé should follow the national style either by including some details not usually available in U.S.-type résumés or by omitting some information that a future employer may find culturally offensive.

Personal data: Most European countries do not have non-discriminatory laws similar to those that exist in the United States. As a result, the employer is entitled to know certain details about you. The standard practice is to give age, sex, nationality, marital status and the number of children.

"In the United States, it is a big no-no to ask someone his age. In France, it would surprise candidates if you didn't ask them," says Marc Lamy, a vice president with Korn Ferry SA in Paris, the French subsidiary of the U.S. executive-search firm. "The employer is entitled to get certain information on the candidate. It is a pyrrhic victory if six months later the candidate doesn't work out because of certain personal data the employer didn't know about."

In France, candidates for executive jobs are expected to send a photograph with their résumé. "Good-looking, well-dressed executives certainly have a better chance," says one headhunter with a Paris-based U.S. search firm.

In Switzerland, a country that has a highly developed civil defense system, it helps to include your rank and function in the military.

In West Germany and Belgium, it is still common for older executives to include the name of their parents and their parents' profession.

"Sometimes you get the whole breeding," says Anders H. Borg, a partner with N.V. Beradson International SA in Brussels, a subsidiary of the Danish executive-search firm. "It is characteristic of a traditional and hierarchical society where people still think they can get a free ride because of who their parents are. To us, it's laughable."

Career objectives. In general in Europe it is considered uncouth to blow your own horn and state ambitious career goals. "On U.S. résumés, you get the 'I'm the best, I'm the greatest, I'm the star' attitude. In France that attitude is not well received," says Mr. Lamy of Korn Ferry in Paris. Nonetheless some head-

(Continued on Page 13, Col. 4)

3 German Banks Cut Key Rates

Consumer Costs Shared 0.75%

FRANKFURT — West Germany's three biggest commercial banks Tuesday announced cuts in the interest rates they charge on overdrafts and installment credit to private customers.

The actions followed half-point cuts by the Bundesbank last Thursday in its key discount and Lombard rates, its charges on short- and medium-term loans to commercial banks.

The move by the central bank was aimed at stimulating sluggish West German consumer demand.

Dresdner Bank AG said its annual interest rate on overdrafts, effective immediately, falls to 9.50 percent from 10.25 percent, where it had held since March 1983. Dresdner said it would also cut its rates on installment credit, but did not elaborate.

Commerzbank later announced that it was cutting by as much as 0.75 percentage point its credit charges on consumer loans of up to 50,000 Deutsche marks (about \$18,000).

It said that a loan for more than 10,000 DM stretched over 60 months would now carry an annual rate of 9.96 percent instead of the previous 10.63 percent. A similar loan for less than 10,000 DM will be reduced to 10.41 percent from 11.08 percent, it said.

Commerzbank also said that it is cutting the rate on overdrafts to an annual 9.75 percent from 10.50 percent.

Late in the day, Deutsche Bank AG said it would follow suit, cutting its rates on overdrafts and consumer loans to 9.75 percent from 10.5 percent, effective immediately.

Rates on consumer loans of up to 10,000 DM and maturities of 36 months will drop to an effective 10.74 percent from a prior 11.85 percent, it said in a statement.

Loans of more than 10,000 DM will be charged at 10.19 percent, down from 11.29 percent, while similar loans over 60 months will be charged an effective 9.62 percent, down from 10.71, it said.

A number of small savings banks have already cut their consumer credit charges over the past few days and mortgage rates have been cut back steadily this summer.

Call for Denationalization of Firms Prompts Heated Debate in France

By Paul Lewis
New York Times Service

PARIS — Pressures are building in France to sell back to private investors industry and banking concerns nationalized by President François Mitterrand's Socialist government after it came into office four years ago. The move comes just as many of these companies are beginning to turn a profit.

The Socialists' nationalization spree has given France the largest state sector among industrialized countries outside the Communist world, with government-owned companies accounting for about 30 percent of industrial output.

The 12 big industrial groups that the Socialists swept into the public net at a cost of 50 billion francs (\$5.92 billion) in compensation, include Cie. de Saint-Gobain, the insulation maker; Pechiney Ugine Kuhlmann SA, the chemicals giant; Rhodé-Poulenc SA, the chemicals group; Compagnie Générale d'Electricité; Thomson-CSF and ITT's French subsidiaries in the electrical sector; two steel companies, Usinor and Sacilor; two leading armaments companies, Dassault and Matra; Roussel Uclaf SA, a pharmaceuticals concern, and Cii Honeywell Bull, a computer company.

The Socialists also nationalized 39 banks — the three largest were already state-owned — most insurance companies; Renault, the auto company; the aviation, nuclear, shipbuilding and coal mining industries; Air France and the internal airlines; the railways, telephone, post office and gas and electricity supply companies.

While the state sector grew, so did its aggregate losses as the Socialists sought to use these companies to spur growth and employment. From a total of 1.9 billion francs in 1980 before the nationalization, the deficit widened to 39.1 billion francs in 1982, slipping back to 36 billion francs last year, although many individual companies moved into the black.

This huge state sector today occupies a key position in the economic strategies of France's major political parties as they prepare for next spring's parliamentary elections.

As a result, private investors



Employees of Usinor at a plant in Isbergues, France.

The Socialists have become much more moderate under Prime Minister Laurent Fabius, emphasizing the fight against inflation and modernization of industry. Since the government can no longer afford to pay for the losses of state-owned companies or provide new capital, it is urging management to make profit-ability an overriding goal and raise investment finance from the private sector by selling subsidiaries or floating nonvoting share issues on the Paris stock exchange.

As a result, private investors

are beginning to look for ways to get their hands on some of the state-owned companies. Some are already state-owned — most insurance companies; Renault, the auto company; the aviation, nuclear, shipbuilding and coal mining industries; Air France and the internal airlines; the railways, telephone, post office and gas and electricity supply companies.

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Icahn Gets Boost As TWA Rejects Texas Proposals

Compiled by Our Staff From Dispatches

NEW YORK — Carl C. Icahn, the New York financier, took a commanding lead Tuesday in his battle to acquire Trans World Airlines following its board's defeat of proposals that would have cemented a merger agreement between TWA and Texas Air Corp.

The TWA board rejected proposals by Texas Air that would have made the airline undesirable to Mr. Icahn or would have diluted his 45.5-percent stake in TWA to the point where he could not block Texas Air's \$26-a-share offer.

Mr. Icahn, in a letter to the TWA board delivered last Friday, had threatened to reduce his \$24-a-share offer for the airline's stock if it gave Texas Air asset options.

The TWA board agreed to Mr. Icahn's proposal that the Texas Air bid be submitted to TWA stockholders for a vote. TWA will hold open Mr. Icahn's offer for board action until two weeks after shareholders have voted on the Texas Air package.

TWA said its board had rejected all steps suggested by Texas Air to lock up its merger proposal by agreeing to sell off parts of the airline and issue a preferred stock.

Mr. Icahn later said the TWA board action was in the best interest of TWA's shareholders, employees, the traveling public and communities served by the airline.

While Wall Street sources said that Texas Air has no immediate contingency plan, analysts speculated that the situation may not have been entirely resolved because of the complicated history of the struggle.

But Mr. Icahn issued what some Wall Street sources saw as a victory speech. He said he expects his own merger proposal to be completed by Nov. 30, contingent on financing.

Theoretically, this should set the tone for winding this thing down to a decision and it looks like, at this point, the cards are all in Mr. Icahn's and his backers' [the unions] hands," said Louis Marckessano, an analyst at Janney Montgomery Scott of New York.

Analysts, however, are not ready to predict the fate of TWA. "Obviously there can be many more skirmishes before the final battle," said Robert Jopke, an analyst with Shearson Lehman Brothers of New York.

TWA said after the board meeting that it views Mr. Icahn's offer as an excellent price for shareholders, and did not threaten to dismember the airline.

TWA added that Mr. Icahn also delivered a letter from a major commercial bank, which it did not name, stating that the bank was highly confident it could arrange the necessary financing for his merger proposal.

[Earlier, Pan American World Airways told the TWA board that it would be interested in buying TWA's reservation system, its large tour program, its terminal at Kennedy International Airport in New York and certain planes, The New York Times reported.]

TWA shares closed Tuesday on the New York Stock Exchange up 25 cents, at \$22.50.

(Reuters, UPI)

Ailing Philippine Economy Seen on Slow Road to Recovery

Manila — The Philippine economy, which virtually collapsed following the murder of opposition leader Benigno Aquino in Manila two years ago, appears to be recovering, but businessmen and economists say it could be years before it returns to full health.

According to analysts, the country's economy is saddled with depressed trade, labor problems and political uncertainty that may take years to work out.

In the first five months of 1985, according to government statistics, exports dropped 17 percent, to \$1.91 billion, although imports also fell 17 percent, to \$2.1 billion.

Strikes increased by 76 percent in the first half of the year, to 240, and lost man-hours more than doubled, to 12.3 million, from 5.66 million in the same period last year.

In 1984, the annualized inflation rate averaged 50 percent and more than 90,000 people lost their jobs.

According to Felix Maramba, president of the Philippine Chamber of Commerce and Industries, the country's economic situation was so bad last year that many

companies "could not afford to pay their employees and this resulted in strikes."

Despite signs of improvement in recent statistics, says Bernardo Villegas, a Harvard-educated economist, the Philippine economy is still "sticking out like a sore thumb" in the fast-growing Pacific region.

Recent reports show that the rate of inflation fell to 18.8 percent in July and that interest rates dropped to 23.6 percent from a peak of 37.5 percent in November. The central bank also reported that international reserves rose to \$1.1 billion

in July against a record low \$483 million in October 1983.

Mr. Villegas, senior vice president of the independent Center for Research and Communications, said the economic policies of President Ferdinand Marcos were generally in the right direction but that there continues to be political uncertainty and a lack of investor confidence.

Ramon Gonzalez, a broker with Ansco Hagedorn Securities, agreed. "There is a crisis of confidence," he said. "The economy needs more investments and not

more loans. We have loans coming out of our ears."

The government has successfully concluded a standby credit agreement with the International Monetary Fund and has drawn the first two installments from a special credit line.

It has also agreed with its 483 creditor banks to a \$10-billion rescue package, including a \$3.8-billion rescheduling of the country's \$25-billion foreign debt. A moratorium on repayments of debts imposed in October 1983, is still in effect.

(Continued on Page 13, Col. 8)

Brazil Seeks Deferral on Bank Debt

By Juan de Onis
Los Angeles Times Service

RIO DE JANEIRO — Brazil, the Third World's largest debtor country, asked its international bank creditors Tuesday for a new 180-day deferral of principal payments on about \$70 billion in debt while it negotiated a new standby agreement with the International Monetary Fund.

Finance Minister Francisco Dornelles said after meeting in France with Jacques de Larosiere, managing director of the IMF, that Brazil hoped to reach a standby agreement with the IMF in October that would cover the rest of this year and 1986.

The request for an extension of deferred payments of principal to the private international banks was presented in New York by Antonio Carlos Lemgruber, president of Brazil's central bank. An earlier 90-day deferral is to expire Aug. 31.

Brazil is maintaining its interest payments and other service charges on the debt, which is just over \$100 billion. Among the debtors are private banks, governments and multilateral banks such as the World Bank and Inter-American Development Bank.

Mr. Lemgruber said last week that servicing the debt costs Brazil about \$13 billion a year, which is \$1 billion more in foreign trade. But Brazil does not plan to seek new bank loans this year; it has a cushion of \$8 billion in reserves.

Mr. Dornelles said after his meeting Monday with Mr. de Larosiere that there were still differences between Brazil and the IMF over "how fast we should reduce our government deficits." He said the pace of budget deficit reductions would be determined by Brazil, which has set itself a growth target this year of 5 percent.

The target is being achieved under the new government of President José Sarney, but there is a danger that the price will be paid in higher inflation. During the period from March, when Mr. Sarney took office, through July, the average monthly rate of inflation has been 8 percent.

The political context in which Brazil is negotiating with the IMF and its major bank creditors is heavily influenced by elections for mayor in all the state capitals. The elections are to be held Nov. 15 and will involve about 30 million voters.

U.S. Firms, Politicians Still Awaiting Benefits of Dollar's Fall

By William McBride
International Herald Tribune

NEW YORK — Six months after the dollar began to fall from its peak, U.S. corporations and politicians are looking in vain for the expected benefits.

These may be long in coming, warn many U.S. economists, who say the 15-percent decline in the dollar's value against a basket of currencies since February falls short of improving U.S. corporations' competitive edge in world markets. They also worry that increasingly sluggish economic growth worldwide means that any payoff from a dollar decline will be limited.

Any improvements in U.S. competitiveness that do occur will take from six months to a year to show up in official trade figures, the economists say. Thus, the U.S. merchandise trade deficit will actually grow larger rather than smaller in the next few months, perhaps reaching \$150 billion for the full year.

"The worst is yet to come," said Allan Sinai, an economist with Shearson Lehman, the U.S. investment firm.

The delay increases the likelihood that Congress will enact some form of protectionist legislation when it reconvenes in the fall. "The lag is just too long," Mr. Sinai said. "Legislation is inevitable. There are about 300 congressional proposals, most of which are aimed at Japan."

The impatience of U.S. corporations is also growing. Officials of the National Association of Manufacturers and a handful of top executives from such blue-chip corporations as Du Pont Co. and Eastman Kodak Co. told Treasury Secretary James A. Baker in a July 16 meeting that the recent declines in the dollar, though welcome, were still insufficient to produce significant benefits for U.S. industry.

They urged the administration to reverse its stand against systematic intervention in the currency markets.

The lag in benefits from the dollar's decline reflects the complexity of the relationship between currency values and the ability of a country's industry to compete in world markets. These complexities mean that the distortions wrought during the last three or four years will not be undone quickly. "Some say the dollar declines and all our problems are over," observed A. Gary Shilling, an economist and consultant. "It's not that simple."

In general, American manufacturers have suffered losses in foreign sales because the strong dollar makes their goods more expensive when prices are expressed in terms of other currencies. Similarly, a strong dollar reduces the prices of foreign goods in dollar terms. Faced with competition from less expensive imports, U.S. manufac-

turers have had to hold down prices and some have seen their shares of their home market reduced.

But currency values are not the whole story when it comes to competitiveness, economists note. Production costs, especially wages, play a big role. In some industries, the wage costs of American concerns are so much higher than those of their foreign competition that only a drastic dollar decline of unlikely proportions would restore the U.S. companies' ability to compete. "For us to be competitive, the dollar is not the only factor," Mr. Sinai says.

Figures published by NAM give some idea of how much further the dollar would have to fall for U.S. companies to feel that they were again competitive in world markets. An informal survey of the association's members indicated that an "appropriate" value for the dollar would be about 200 yen a dollar and about 2.10 to 2.20 Deutsch-

marks. The dollar is currently at about 237 yen and 2.75 DM.

Another factor is that exporters to the U.S. market have tended to regard the boom from a high dollar as a windfall. They are unlikely to raise prices and give up market share even if a strengthening dollar erodes their export profits slightly.

Hartmut Prielwitz, chairman of Industrie-Werke Karlsruhe Augsburg AG, a West German concern that exports packaging machines to the United States, said, "We always knew a dollar exchange rate of 3.30 Deutsche marks was a bit exaggerated." Mr. Prielwitz and other West German exporters based their in-

house accounting on a dollar exchange rate of well below 3 DM. This means they are not under heavy pressure to cut prices immediately as the dollar weakens.

But one of the biggest problems is economic sluggishness in the United States and abroad. It does U.S. manufacturers little good to achieve a more competitive stance if demand for their products is weak.

Gerald Gleason, a vice president of Foxboro Co., a Massachusetts maker of industrial controls that does about 50 percent of its business abroad, says a decline in the dollar is not enough to insure a bright outlook. "It's a move in the right direction," he said. "But we need more buoyancy in the economy."

Standard Chartered Profit Jumps

London — Standard Chartered PLC said Tuesday that its 1985 first half pretax profit rose 42 percent, to \$133.8 million (\$187.3 million), from the year-earlier \$94.2 million. The bank cited results from Britain, North America and Africa in the profit gain, which was higher than had been expected.

Performance in Britain was especially strong, the bank said, with profit before tax and interest surging to \$78.6 million from \$27.2 million. But results from the rest of Europe, and from Singapore and Malaysia, were disappointing.

The bank's total bad- and doubtful-debt charge shrank 24 percent from a year earlier, to \$45.6 million. Specific provisions took \$33.6 million. Over half the general provisions, the rest, applied to further provisions for exposure to countries' debts.

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CURRENCY MARKETS

Dollar Higher in Europe, U.S. on GNP Data

NEW YORK — The dollar climbed higher Tuesday but closed under the highs it reached after the U.S. Commerce Department reported that the gross national product rose at a revised annual rate of 2.7 percent in the second quarter.

Markets had been expecting a downward revision in the GNP figure to between 1.0 percent and a 1.5-percent increase, dealers said. On July 18, the second-quarter figure was revised downward to a 1.7-percent gain.

"It was not necessarily a strong number, but many had expected a downward revision and, as a result, they bid the dollar higher," a New York dealer said. He said trading was quiet, however.

The dollar closed more than 2 pence higher against the Deutsche mark, rising to 2.7770 from 2.7545 at Monday's close, but was down more than a penny from its session high of 2.7900. The British pound, which fell nearly 2 cents

after the GNP report, recovered to close at \$1.3915, still down a cent from \$1.4020 on Monday.

Other late dollar rates in New York Tuesday, compared with late Monday, included: 2,2750 Swiss francs, up from 2,2545; 8,4825 French francs, up 7 cents from 8,4125, and 1,857.50 lire, up from 1,847.00. The dollar rose to 237.15 Japanese yen from 236.76.

In earlier trading in Europe, the U.S. currency finished in London at 2,7782 DM, down 1/4 pence from its session high of 2,7900 but up from 2,7620 at Monday's close. Earlier in Frankfurt, the dollar was fixed at 2,7652, nearly unchanged from Monday's fixing of 2,7647.

The British pound, meanwhile, eased on the dollar's rise to end at \$1.3890 in London, down from \$1.3995 at the opening and \$1.4000 on Monday. It slipped to \$1.3890 against the mark from 1,8670 on Monday and to 11,705 French francs from 11,8208.

Dealers said that apart from a

flurry of activity after the U.S. GNP report, the markets remained directionless and lacked conviction. Operations were now looking for fresh factors to ward off a return of bearish sentiment for the currency, they said.

"One good figure doesn't change the overall picture," and the underlying sentiment for the dollar remains bearish, one dealer with a leading U.K. clearing bank said.

Markets are now waiting for U.S. inflation and durable goods numbers for July, and money-supply data for the week ending Aug. 14, all due Thursday, they said.

Other late dollar rates in Europe on Tuesday, compared with late Monday, included: 2,2825 Swiss francs, up from 2,2608; 8,4410 French francs, virtually unchanged from 8,4400, and 1,854.00 Italian lire, up from 1,851.70.

In London, the Japanese yen ended at 237.25 to the dollar, down from its earlier close in Tokyo of 236.85. (Reuters, IHT)

Dollar's Fall Still to Be Felt

(Continued from Page 9)

European growth in full 1985 range from about 2.25 percent to just over 3 percent.

While the outlook is more favorable in Japan, "there's no indication that the Japanese have pent-up import demand," said Lawrence Fox, vice president of the NAM, and the effects from Tokyo's latest effort to open its markets are unclear.

Given the still high level of the dollar, "it's a bit unrealistic to think American companies are about to clean up on world markets," he added.

The recoveries in both Europe and Japan have been largely a product of a rise in their exports to the United States rather than homegrown buying by consumers and businesses.

"The United States was the locomotive for the world economy in 1983 and 1984," observed C. Fred Bergsten, director of the Institute for International Economics, a Washington think tank. "Some analysts have attributed as much as half of West German and Japanese growth to their exports to the United States. If the locomotive becomes the caboose, you've got problems."

Groups such as NAM insist that further steps to bring down the dollar's value should remain a key part of any effort to keep the recovery alive. With some irony, the association has cast itself as one of the most vocal advocates of U.S. government intervention in the foreign-exchange markets, an approach that runs counter to the free-market thinking of the Reagan administration.

There have been some modest effects from the dollar decline so far, acknowledged Mr. Fox. Some U.S. companies that had been encouraged by the strong dollar to move their production overseas were now reassessing those plans, he said. Also, U.S. companies that have seen their profit figures depressed by unfavorable currency translation will have less pressure on the bottom line as the dollar declines.

Warren Geller in Frankfurt, Axel Krause in Paris and Bob Hagerty in London contributed to the reporting of this article.

Hong Kong's Tax Bill Is Criticized

By Dinah Lee

HONG KONG — Hong Kong's proposed legislation to curb tax avoidance has been subjected to widespread criticism since it was published last month.

The Hong Kong Society of Accountants joined the critics on Tuesday by calling the plan a "sledgehammer to crack a nut."

Other bodies unhappy with the bill include the Taxation Institute of Hong Kong, and the Hongkong Equipment Leasing Association. The bill has been described as poorly written, redundant, rushed and far too broad for its intended purpose of curtailing tax avoidance.

Faced with a deficit estimated at 2.1 billion Hong Kong dollars (\$269.3 million) for the fiscal year ending March 1986, the financial secretary, Sir John Bremridge, warned taxpayers last February in his annual budget address that he would be trying to raise revenue

including measures to stem tax avoidance. Hong Kong has long enjoyed a system of low and simple taxation, an attraction for foreign investors.

However, in what appears to be legislation drawn piecemeal from regulations elsewhere, the British colony's government has proposed a general anti-avoidance provision, and then additional and more specific provisions. These deal with such matters as trading of stock in money-losing companies, equipment and plant leasing, and pension funds and other employee benefits.

Most of the criticism has been directed at the general provision that would allow the government to withhold tax benefits from a transaction if the tax benefits were at least one factor in the transaction. Elsewhere, for example in Britain, the government must prove in court that such a transaction was a wholly artificial move for the sole purpose of avoiding tax.

A partner at Peat Marwick, Mitchell & Co., David Flux, said recently that the general provision "relies on overkill and creates total uncertainty for businessmen." He added that under the bill as now drafted, "the Inland Revenue Department can catch virtually everything and then pick up on the cases they want."

K.K. Yu, vice president of the Taxation Institute of Hong Kong, suggested last week that the government come up with a new draft of the bill, which must be passed by the Legislative Council to become law.

He echoed the objections of others to the bill's retroactive nature — it covers transactions carried out in the financial year 1985-1986 — and to the uncertainty it is said to create for investors. He said he had no hesitation in telling his clients at Deloitte, Haskins & Sells to hold off further investment in Hong Kong until the issue was resolved.

Recovery Seen In Philippines

(Continued from Page 9)

force but is expected to be lifted when rescheduling agreements with individual banks are signed.

Mr. Villegas said the recovery would be slow and a return to the 6-percent growth rate of the 1970s may not be reached in this decade.

Mr. Marcos has predicted economic growth of 1 percent this year and 3 percent for 1986, but the national Economic Development Authority has revised its 1985 figure to zero growth.

In the first quarter of 1985, the gross national product, the widest measure of a nation's output of goods and services, fell 3.7 percent after a 5.5-percent decline for all of 1984.

Mr. Villegas has predicted that the narrower gross domestic product, a measure of GNP that excludes income from foreign investments, will decline this year by 3 percent to 5 percent.

THE EUROMARKETS

Secondary Market Shakes Off GNP News

By Peter Conradi

LONDON — Just over \$400 million of new straight Eurobonds were launched Tuesday, but dealing in existing issues was again quiet. The secondary market shook off the unexpected upward revision of U.S. economic growth figures and bearish comments by Paul A. Volcker, the Federal Reserve Board chairman, dealers said.

Inter-American Development Bank came up with the week's first dollar straight, a 10-year, \$150-million issue paying 10 1/2 percent a year and issued at par, led by Credit Suisse First Boston Ltd. Kiewit Co. of the United States followed with a \$100-million bond, paying 10 1/2 percent a year over five years, also at par and led by Morgan Guaranty Ltd.

The issue for Kiewit, a private construction company, was quoted on the market at a discount of 1 1/4

within total 1 1/4 percent fees. The issue is secured by a surety bond issued by Aetna Casualty & Surety Co. The IADB bond was quoted within its total 2 percent fees, at a discount of about 1 1/4 percent.

Credit Suisse First Boston also led a two-tranche issue for Phoenix Mutual Mortgage Funding Corp., consisting of a \$100.9-million, seven-year bond with a 10 1/4-percent-a-year coupon and a \$56.8-million, 11-year issue paying 10 1/4 percent. Both were par-priced.

The issues are collateralized by first mortgages and were trading within their total fees.

Back in the secondary market, dealers said most prices seemed little affected by Tuesday's surprise upward revision of U.S. second-quarter annualized growth in the gross national product, to 2.7 percent. The GNP is a measure of the total value of a nation's goods

and services. The market had been expecting a downward revision to 1.3 to 1.6 percent.

Reports of a letter sent by Mr. Volcker, dated Aug. 6, to the Senate Banking Committee saying that the Fed would restrain money growth if the economy grew faster than expected in second-half 1985, also had little initial impact on the market, they said.

Although U.S. credit markets were lower, dollar-straight Eurobonds ended steady to 1/4 point either side of Monday's night's close, while floating-rate notes were largely unchanged.

"I am very surprised, the market is really showing a lot of resilience," one dollar-straight dealer at a U.S. bank said. "Coupled with that, we have seen some new issues that appear to have performed very well."

French Debate Denationalization

(Continued from Page 9)

are acquiring a growing claim on many nationalized companies.

The rightist opposition parties, confident that they will be returned to power, plan a major sale of government assets to finance the tax cuts and other supply-side economic changes that they are promising in a bid to raise France's sluggish growth and reduce unemployment, now standing at 11 percent of the work force.

The Communists strongly oppose any denationalization. But they are out of the government now and with barely 10 percent of the vote are ignored by the Socialists.

Denationalization has prompted as heated a debate in France as nationalization did.

Earlier this year the industry minister, Edith Cresson, created a stir when she hinted that the government might sell a minority interest in profitable state companies. This forced Mr. Mitterrand to defend his nationalization program on the grounds that it had saved many companies from bankruptcy.

More recently, Mr. Fabius tried to close the debate with a pledge



Laurent Fabius

not to "nationalize losses while privatizing profits."

The debate moved into high gear this summer. In a new joint electoral platform that commits them to a far-reaching liberalization of the French economy, France's conservative opposition parties — former President Valéry Giscard d'Estaing's Union pour la Démocratie and the Rassemblement pour la République, led by the mayor of Paris, Jacques Chirac — pledged themselves to denationalize every-

thing the Socialists took over. Since all polls show these two parties regaining control of the French National Assembly in next spring's elections, their economic promises are being taken seriously.

"The first thing we have to do is make a collective confession of guilt for what we didn't do in the past," said Alain Juppé, the RPR economic spokesman.

Although often vaguely worded, the opposition's economic platform implies a far more radical change in French economic life in relation to past practice than anything proposed by Prime Minister Margaret Thatcher of Britain or President Ronald Reagan in the United States.

Its macroeconomic aim is an annual growth rate of 3 percent, compared with this year's 1 percent, to be brought about by extensive deregulation and yearly cuts in taxation of 40 billion francs, or roughly 1 percent of gross national product — the value of goods and services including income from foreign investments.

Tailoring The Résumé

(Continued from Page 9)

hunters think that a statement of career objectives is useful information that should be included in a résumé.

University degrees and references. In West Germany, a résumé can be a 20-page document. "They are very formal and read like legal documents," says Julian McKinnon of Korn Ferry GmbH in Frankfurt, a subsidiary of the U.S. executive search firm. West German executives include photocopies of their school certificates and university degrees. Often the photocopies have been stamped by a lawyer.

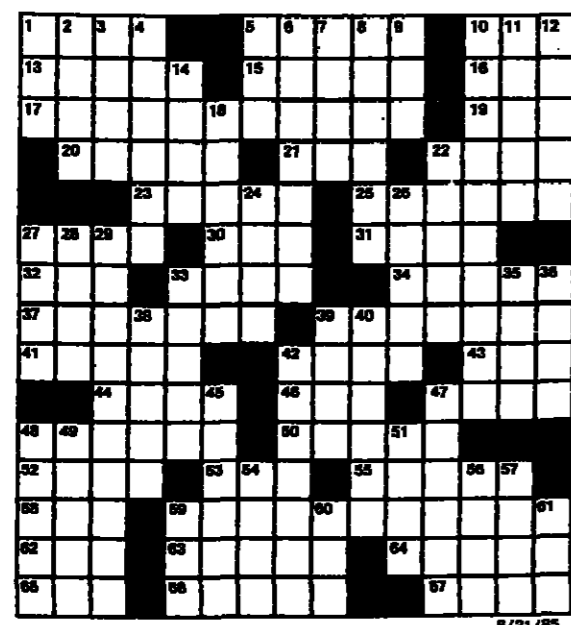
Hobbies and sports. In most European countries, executives do not include their hobbies and sports.

But there are exceptions: "I must admit that once I selected a woman for a certain position because she had stated on her résumé that I was a marathon runner and I wanted someone who would be up to a grueling task," says Mr. Borg of Berntson in Brussels.

Tuesday's OTC Prices
NASDAQ PRICES as of 3:00 p.m. New York time.
Via The Associated Press

12 Month High	Low	Stock	Div. Yld.	Sales in 1984	High	Low	3 P.M. CHG
19	11	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
20	12	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
21	13	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
22	14	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
23	15	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
24	16	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
25	17	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
26	18	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
27	19	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
28	20	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
29	21	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
30	22	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
31	23	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
32	24	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
33	25	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
34	26	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
35	27	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
36	28	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
37	29	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
38	30	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
39	31	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
40	32	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
41	33	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
42	34	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
43	35	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
44	36	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
45	37	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
46	38	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
47	39	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
48	40	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
49	41	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
50	42	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
51	43	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
52	44	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
53	45	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
54	46	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
55	47	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
56	48	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
57	49	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
58	50	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
59	51	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
60	52	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
61	53	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
62	54	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
63	55	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
64	56	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
65	57	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
66	58	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
67	59	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
68	60	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
69	61	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
70	62	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
71	63	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
72	64	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
73	65	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
74	66	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
75	67	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
76	68	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
77	69	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
78	70	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
79	71	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
80	72	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
81	73	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
82	74	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
83	75	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
84	76	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
85	77	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
86	78	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
87	79	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
88	80	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
89	81	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
90	82	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
91	83	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
92	84	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
93	85	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
94	86	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
95	87	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
96	88	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
97	89	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
98	90	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
99	91	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4
100	92	ADCT	1.00	15	17 1/2	17 1/2	+ 1/4

12 Month High	Low	Stock	Div. Yld.	Sales in 19
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ACROSS

1 Ointment
2 Cry of a
3 Flushed snipe
4 Enos's
5 grandmother
6 Enos's
7 novel
8 Res followers
9 Uncas's friend
10 Gamp or
11 Gumidge
12 Lasso's sound
13 Letter addenda
14 Last
15 Unsophisticated
16 Forerunner of
17 the freezer
18 More than
19 several
20 Morse signal
21 Treaty gp.
22 Ovidian
23 declaration
24 MOMA piece
25 Live it up
26 Sidekick
27 Lymann
28 Gin
29 Bakery tool
30 Brazilian's coffee
31 Lou Ferrigno
32 role
33 "longa"
34 Totum's father
35 Thaumatur-
36 gist's word
37 Dame

DOWN

1 Storage area
2 "There ought
3 to be"
4 An S.S.R.
5 MOMA piece
6 Subject of a
7 Flaubert
8 masterpiece
9 A September
10 sign
11 Lover of
12 Elizabeth I
13 Breckinridge
14 or Hess
15 Restrain
16 Ustinov or
17 O'Toole
18 Contender
19 Burnett or
20 Channing
21 Charts
22 "for All
23 Seasons"
24 Ibsen's "doll"
25 Genuflected
26 "Roast Pig"
27 dissertation
28 Uris or
29 Gossens
30 Tie up
31 Zilch, to
32 Zapata
33 Vesta, to Greeks
34 Flamboyance
35 Ind. city
36 47 Save
37 Wilbur and
38 Merrill
39 Erwin of old
40 films
41 Run in a race
42 Tyrol's locale
43 Important
44 enzyme
45 Ike's domain
46 in 1942
47 Subject of a
48 Flaubert
49 masterpiece
50 A September
51 sign
52 Motherwell
53 N.Z. parrot
54 Morbid
55 condition:
56 Suffix
57 Popular street
58 name
59 Cheerful
60 fictional clerk
61 Where
62 Wadkins starts
63 Cornhuskers'
64 city
65 Polished
66 Land south of
67 Turk
68 Regions
69 Cheese-store
70 purchase

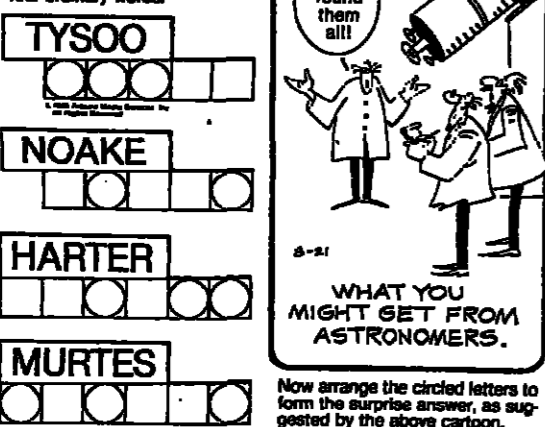
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DENNIS THE MENACE

"I KNOW HOW TO BLOW OUT CANDLES!
YOU DIDN'T HAVE TO SHOW ME!"

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



We found them all!

Yesterday's Jumble: HABIT PAUSE HARBOR GENDER

Answer: What those snobbish members of the horse set thought they were—A BREED APART

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	28	18	Beijing	28	18
Amsterdam	28	18	Bombay	28	18
Antwerp	28	18	Buenos Aires	28	18
Berlin	28	18	Calcutta	28	18
Brussels	28	18	Chongqing	28	18
Bucharest	28	18	Colombo	28	18
Bombay	28	18	Dacca	28	18
Buenos Aires	28	18	Delhi	28	18
Calcutta	28	18	Hankow	28	18
Chongqing	28	18	Harbin	28	18
Colombo	28	18	Hong Kong	28	18
Dacca	28	18	Kobe	28	18
Delhi	28	18	London	28	18
Hankow	28	18	Manila	28	18
Harbin	28	18	Medan	28	18
Hong Kong	28	18	Osaka	28	18
Kobe	28	18	Shanghai	28	18
London	28	18	Singapore	28	18
Manila	28	18	Taipei	28	18
Medan	28	18	Tokyo	28	18
Osaka	28	18			
Shanghai	28	18			
Singapore	28	18			
Taipei	28	18			
Tokyo	28	18			

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



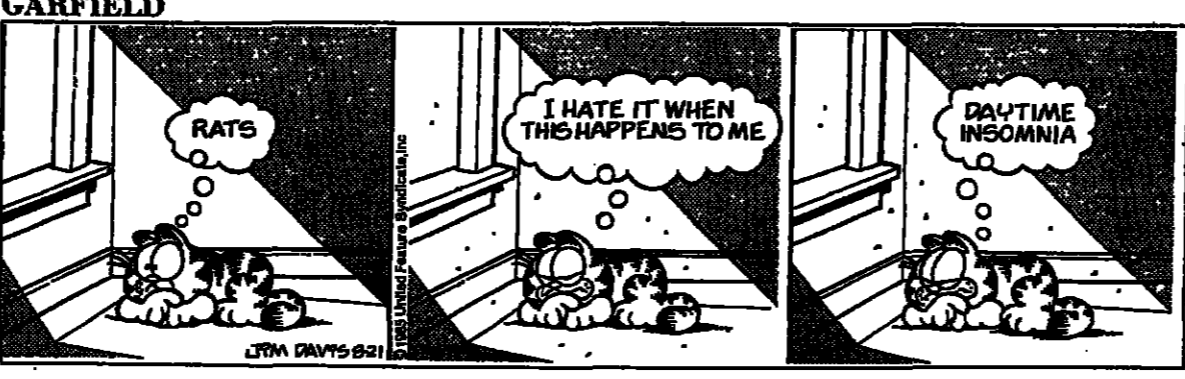
WIZARD OF ID



REX MORGAN



GARFIELD



World Stock Markets

Via Agence France-Presse Aug. 20
Closing prices in local currencies unless otherwise indicated.

Amsterdam	Close	Prev.	Frankfurt	Close	Prev.
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146

London	Close	Prev.	Paris	Close	Prev.
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146
ABN	50	51	AGF	145	146

BOOKS

A BRIDGE THROUGH TIME:
A MemoirBy Laila Said. 282 pages. \$17.95.
Summit Books, 1230 Avenue of the Ameri-
cas, New York, N.Y. 10020.

Reviewed by David Ottaway

LAILA SAID has written a sad and often beautiful story about alienation in "A Bridge Through Time." It is not at all clear whether she meant to do this, but this is the overpowering sensation for anyone who has ever spent time in her homeland.

On the face of it, her book tells in often intimate terms of one Arab woman's struggle to free herself from a family-arranged marriage and become the first female director in the politically stifled world of the Egyptian theater. No Westerner can help but be moved by her uphill and often lonely struggle to break through the taboos of Egypt's male-dominated society.

"Dr. Laila," as her countrymen call her, is at her very best as a writer when she describes her emotions as tragedy and adversity repeatedly befall her. Her story of dealing with her family and friends after the accidental death of her younger sister Asma is extraordinarily powerful, as is that of watching the ceremonial circumcision of a young Egyptian girl.

What is missing, disturbingly, throughout her moving account is any appreciation of her privileged position in Egypt's upper class.

Laila Said came from the Christian Coptic upper class, a minority within a minority in a Moslem-dominated country where the vast mass of the population is dirt poor. Her parents sent her to the United States for her master's of arts degree at the University of Chicago and later for a doctorate in theater from the University of Illinois. They allowed her to return there alone after she was married, against her husband's wishes. They approved of her getting an abortion so she could devote all her time to the theater.

In terms of Egyptian society and its mores, Dr. Laila was extremely unusual in being allowed to do any of these things. She seems thrice alienated — as a Copt in a Moslem world, as an upper-class Egyptian in a poverty-ridden country and as a woman in a male-dominated society. She never comes to terms with her alienation or seriously analyzes it.

She is constantly shocked by the heavy hand of politics and official censorship that stifled the Egyptian theater after the revolution. Im-

ADVICE, HOW-TO AND MISCELLANEOUS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DR. BERGER'S IMMUNE POWER	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
WOMEN WHO LOVE TOO MUCH	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
THE FRUSTRATED GOURMET	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NOTHING DOWN	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
SMART COOKIES DON'T CRUMBLE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

BRIDGE

By Alan Truscott

ON the diagrammed deal, South arrived in a difficult four-spade contract.

After a club lead, he put up the queen from dummy and ruffed East's ace. The play of the ace rather than king was a sensible false card, but it did not save South. He led a small heart, forcing West to duck. When the king won, the club jack was led. This held the trick when East ducked and South threw a heart. As the cards lie, a diamond would have been better, but the bid-

ding suggested to South that the diamond ace was on his right.

Now the spade king was cashed and a diamond was led to the king and ace. The contract would have been defeated if West had cashed the heart ace and led a diamond, since the spade ten would score. But he led a low heart, playing his partner for the queen, and South actually made an over-trick. This meant a gain of 11 international match points, for in the replay North-South played three spades and made just nine tricks.

NORTH	WEST (D)	EAST	SOUTH
♠ K	♠ A	♠ 10	♠ J
♥ A	♥ K	♥ Q	♥ 9
♦ A	♦ K	♦ Q	♦ J
♣ A	♣ K	♣ Q	♣ J

North and South were vulnerable.

The bidding:

Pass Pass Pass Pass

Pass Pass Pass Pass

Pass Pass Pass Pass

Pass Pass Pass Pass

Pass Pass Pass Pass

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